Canadian International Development Agency

Departmental Performance Report

For the period ending
March 31, 2007

Table of Contents

List of Financial Tables i
Acronyms ii

Minister's Message **1**
Management Representation Statement **3**

SECTION I: AGENCY OVERVIEW AND PERFORMANCE **4**
1.1 Summary Information 4
1.2 Departmental Performance 8
1.3 Development Results in CIDA's Sectors of Focus 21

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES **29**
2.1 Geographic Programs 29
2.2 Canadian Partnership 47
2.3 Multilateral Programs 52
2.4 Policy Coherence 60
2.5 Engaging Canadians 64
2.6 Corporate Services 67

SECTION III: SUPPLEMENTARY INFORMATION **71**
Annex 1: Financial Tables 71
Annex 2: Financial Statements 83
Annex 3: Response to Parliamentary Committees, Audits and Evaluations 109
Annex 4: Sustainable Development Strategy 111
Annex 5: Procurement and Contracting 114
Annex 6: Client-Centred Service 116

SECTION IV: OTHER ITEMS OF INTEREST **118**
Annex 7: CIDA's Organizational Chart 118
Annex 8: CIDA's Aid Effectiveness Agenda 119
Annex 9: CIDA's Program Activity Architecture 120
Annex 10: CIDA and Democratic Governance 122
Annex 11: Other Information 125

List of Financial Tables

Table 1: Comparison of Planned to Actual Spending
Table 2: Resources by Program Activity
Table 3: Voted and Statutory Items
Table 4: Services Received Without Charge
Table 5: Loans, Investments, and Advances (Non-Budgetary)
Table 6: Sources of Respendable and Non-Respendable Revenue
Table 7: Resource Requirements by Branch
Table 8a: User Fees – *User Fees Act*
Table 8b: User Fees – Policy on Service Standards for External Fees
Table 9: Details on Transfer Payments by Business Line

Acronyms

AIDS	Acquired Immune Deficiency Syndrome
CERF	Central Emergency Respond Fund
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee
DFAIT	Department of Foreign Affairs and International Trade
DPR	Departmental Performance Report
DRC	Democratic Republic of the Congo
EFA	Education For All
FTEs	Full Time Equivalents
FTI	Fast Track Initiative
GFATM	Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria
GHD	Good Humanitarian Donorship
GNI	Gross National Income
HIV	Human Immunodeficiency Virus
HRM	Human Resources Management
IAE	International Assistance Envelope
MAF	Management Accountability Framework
MDGs	Millennium Development Goals
MOU	Memorandum of Understanding
MRRS	Management Resources and Results Structure
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
OAS	Organization of American States
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
ODG	Office for Democratic Governance
OECD	Organisation for Economic Co-operation and Development
PAA	Program Activity Architecture
PBA	Program-based Approach
PRS	Poverty Reduction Strategy
PSD	Private Sector Development
RPP	Report on Plans and Priorities
RRMAF	Corporate Results and Risk Management Accountability Framework
SEA	Strategic Environmental Assessment
SDS	Sustainable Development Strategy
SME	Small and Medium-sized Enterprise
TB	Treasury Board
TBS	Treasury Board of Canada, Secretariat
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Emergency Fund
WHO	World Health Organization

Minister's Message

As the new Minister for International Cooperation, I am pleased to present the report on the achievements of the Canadian International Development Agency during 2006-2007. The Agency's performance reflects the ongoing commitment of the Government of Canada to development cooperation, not only in the context of doubling of the aid budget between 2001-2002 and 2010-2011, but also in terms of increasing the effectiveness of Canada's aid. The Agency has drawn from country reports, sectoral reports and other sources in a continuing effort to demonstrate results for Canadians and concrete progress in strengthening CIDA's accountability regime.

CIDA placed greater emphasis on two critical areas in 2006-2007 – democratic governance and equality between women and men. The Agency established its Office for Democratic Governance to mobilize Canadian expertise in this sector, and made considerable headway in a number of key areas.

CIDA is also responding to new government priorities such as the renewed attention to the Americas.

CIDA is continuing to make progress in the implementation of its aid effectiveness agenda. Our government's commitment to ensuring accountability for results was reiterated in Budget 2007. There is greater geographic and sectoral focus, more efficiency in programming and clearer demonstration of concrete results to Canadians. The Agency is moving toward a stronger field presence, and is managing human resources to meet the requirements of the future.

This document is a record of achievement, set against a background of continuing challenges, tremendous change and global uncertainty. I respectfully table it for Parliament's consideration.

The Honourable Beverley J. Oda, P.C., M.P.
Minister of International Cooperation

Management Representation Statement

I submit for tabling in Parliament, the *2006–2007 Departmental Performance Report* for the Canadian International Development Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

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Robert Greenhill
President, Canadian International Development Agency
September 26, 2007

SECTION I: AGENCY OVERVIEW AND PERFORMANCE

1.1 Summary Information

The Canadian International Development Agency (CIDA) is the principal federal department responsible for development and humanitarian assistance policy and programming. Since its establishment in 1968, CIDA has built an international reputation for innovation and leadership in key fields, such as: promotion of equality between women and men, substantial participation of civil society in the aid program; early implementation of aid effectiveness principles; engagement in fragile states; application of results-based management; and humanitarian assistance system reform.

Working with partners in Canada and abroad, CIDA manages, along with the Departments of Foreign Affairs and International Trade (DFAIT) and Finance, the International Assistance Envelope (IAE)[1], an envelope of approximately $4 billion.

Approximately 73 per cent of the IAE, or close to $3 billion, constituted CIDA's annual budget in 2006-2007. The Agency manages a similar budget in 2007-2008.

Together, CIDA, Finance and DFAIT ensure that envelope resources are spent in line with the government priorities. More specifically, this Government has committed to Canadians that aid would be more effective and deliver concrete, measurable results. As stated in CIDA's *2006-2007* and *2007-2008 Reports on Plans and Priorities* (RPPs), this commitment is at the heart of the Agency's agenda and guides its actions.

Furthermore, in Budget 2007, the Government of Canada not only reiterated its commitment to doubling aid from 2001-2002 to 2010-2011; it also provided additional resources reflecting its current priorities, such as: $200 million for reconstruction and development in Afghanistan ($150 million through CIDA and $50 million through DFAIT)[2] and $115 million initially and up to $230 million over time to the innovative Advance Market Commitment to create a pneumococcal vaccine.

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[1] The IAE is jointly managed by the Ministers of Finance, Foreign Affairs, and International Cooperation and divided into five pools: development, international financial institutions, peace and security, crisis, and development research. This structure supports coherent priority setting across all government departments participating in the aid program; transparency in the allocation of new resources; and flexibility to respond to new initiatives. CIDA is responsible for administering the development pool, accounting for most of the IAE funding, and for co-managing the crisis pool with DFAIT, in consultation with Finance Canada, the Privy Council Office, and Treasury Board Secretariat (TBS).

[2] http://www.pm.gc.ca/eng/media.asp?category=1&id=1552

A cross-section of selected development results, 2006-2007

- Through CIDA's total 2006 contributions to the World Food Programme (WFP) and the Canadian Foodgrains Bank, Canada helped to deliver food aid to approximately five million people worldwide In 2006, Canada was the fourth-largest donor to the WFP, after the United States, European Commission, and the United Nations (UN).
- Providing Vitamin A to children under five years old has been shown to reduce their risk of death by an average of 23 per cent. Through CIDA, Canada is a leading source of funding for Vitamin A programs. From 1997-1998 through June 2007, using CIDA funds, the Ottawa-based Micronutrient Initiative procured approximately four billion Vitamin A capsules, which were then distributed through various partners, principally UNICEF, Helen Keller International, and health ministries in developing countries. According to estimates by UNICEF, Canada's support for the delivery of Vitamin A supplements saved more than 2.1 million lives between 1998 and 2005, mainly in Sub-Saharan Africa and South Asia.
- CIDA is currently supporting approximately 2,500 Canadian volunteers, including youths, working in developing countries.
- Canada's support for the Primary Education Development Program has helped the Government of Tanzania invest more in education, increasing net primary enrolment by 2 million children who would not otherwise have been in school.
- In Afghanistan, Canada is the lead donor in the Microfinance Investment Support Facility (MISFA), which had over 330,000 clients, almost three quarters of whom are women.
- In Pakistan, women's rights were enhanced through the establishment of some 50 village-level human rights committees, the opening of special services desks for women in three police stations and the creation of a free legal aid cell that helps women victims of violence take their cases to court.
- In Haiti, CIDA helped establish 9,209 voting centres and register 3.5 million voters for the 2006 elections, contributing to the highest voter participation rates in its history.

This report reflects early actions with respect to the commitments made by the Government in Budget 2007 with regard to increased focus, efficiency and accountability. It contains several new elements to illustrate the wide range of results achieved during the year. In addition to the summary chart of results related to the Agency's program and management priorities, it provides a series of "reports" on development results in CIDA's sectors of focus. Furthermore, in line with Budget 2007's commitment to greater accountability, through reports on effectiveness in selected countries, we have included country reports based on annual programming performance reviews and on summaries of evaluations and audits. These provide an objective assessment of a representative cross-section of our programming.

SUMMARY CHART FOR 2006-2007

Rationale
Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals[1] of economic well-being, social development, environmental sustainability and governance (including freedom and democracy, human rights, rule of law, and accountable public institutions).
Alignment to Government of Canada Outcomes: Directly supports Government of Canada's strategic outcome of global poverty reduction through sustainable development and contributes indirectly to other outcomes, including a more secure world through international cooperation, and to a prosperous Canada through global commerce.
Benefits to Canadians: The aid program plays an important role in Canada's global reach and influence; provides a concrete expression of values that Canadians cherish; builds long-term relationships with some of the fastest growing economies in the world; and helps make the world more secure for Canadians.

Financial Resources		
Planned Spending	**Total Authorities**	**Actual Spending**
$3,043,321,000	$3,198,338,974	$3,043,261,641

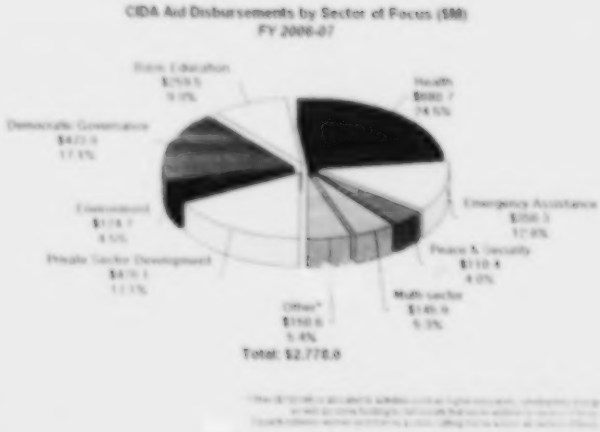
Human Resources *(Full Time Equivalents - FTEs)*	
Planned	**Actual**
1,578	1,671

Departmental Priorities	**Type**
Strategic Focus	Ongoing
Strengthened Program Delivery	Ongoing
Effective Use of Agency Resources	Ongoing
Clear Accountability for Results	Ongoing

[1] Development goals include Millennium Development Goals, humanitarian assistance and others as described in the Official Development Assistance (ODA).

Program Activities	Planned Spending	Actual Expenditures
Geographic Programs	$1,637,749,000	$1,588,475,777
Partnership Programs	$279,608,000	$273,413,338
Multilateral Programs	$1,045,710,000	$1,084,080,278
Policy Coherence	$65,346,000	$64,035,753
Engaging Canadians	$14,908,000	$33,256,495[4]

CIDA Aid Disbursements in 2006-2007



[4] The difference in planned spending and actual expenditures under "Engaging Canadians" is due to the creation of the Office for Democratic Governance, after the publication of the 2006-2007 RPP.

1.2 Departmental Performance

1.2.1 Context

Since 2000, the Millennium Development Goals (MDGs) have served to guide the development community's actions, including Canada's, toward a set of global targets, to be reached by 2015, for poverty and hunger eradication, health, education, gender equality, environmental sustainability, and global partnership.

Developing countries, often with the support of donors like Canada, have made concrete progress against these challenges in the last generation: life expectancy has increased by nine years, despite the ravages of HIV/AIDS; the number of people living on less than $1 per day has fallen from one person in three in 1990 to one person in five in 2004[5] thanks in part to rapid economic growth in Southeast Asia, China and India; access to water has improved; access to basic education has increased dramatically, especially for girls in Africa; and democratic governance is strengthening in all regions of the world.

Each region of the developing world faces unique challenges and opportunities. In Sub-Saharan Africa, recent economic growth and advances in democratic governance have opened the door for long-term, sustainable development. Despite this progress, the continent still faces major challenges in public health, basic education, equality between women and men, depletion of natural resources and ongoing conflict in many areas. In Asia, economic reforms and sound economic management have strengthened growth, and most countries in the southeast will achieve the MDGs. Despite gains, important challenges remain in Southern Asia, which, in absolute numbers, continues to account for an overwhelming proportion of the world's poor and is projected to continue to do so beyond 2015. The increasing gap between rich and poor, combined with unrest related to social, gender, ethnic and religious issues, continues to affect regional stability.

In the Americas, recent progress in poverty reduction, education and health have put most countries on track to meet the MDG targets, despite persisting inequalities in income and standard of living. However, growing security problems, including crime and violence, threaten to destabilize the region, particularly in Central America. In Eastern Europe, the Middle East and the Maghreb, the benefits of recent economic growth have not always been evenly distributed, and unstable security situations continue to be a challenge in certain areas. Progress is being made in these regions to strengthen institutions, enhance education and improve the local business environment.

1.2.2 CIDA's Environment

Strengthening Aid Effectiveness

Over the past ten years, there has been an increasing body of research into how to improve the effectiveness of aid in terms of delivery and accountability for results, and a growing international consensus on the ways and means to do so.

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[5] Millennium Development Goals Report, 2007, UN Human Development Report 2006

In 2005, the international development community endorsed the Paris Declaration on Aid Effectiveness, a principles-based approach to maximize the impact of aid on development outcomes.

Lessons Learned for Aid Effectiveness

Countries succeed when there is...

- Political will/leadership, with public engagement
- Open and transparent governance
- Sound policies, and effective, accountable institutions
- A balance of state, civil society, private sector

Donors succeed when they...

- Align with host-country priorities and systems
- Improve donor coordination and harmonization
- Pursue policy dialogue, innovation, joint financing
- Enhance policy coherence

Aid works when countries and donors...

- Engage in a long-term, comprehensive relationship with constancy and clarity of purpose
- Focus support for enhanced performance of country systems
- Manage for results based on mutual accountability

There is a high level of interest in Canada to improve aid effectiveness actions. In Budget 2007, the Government reiterated the need to improve the effectiveness of Canadian aid and ensure accountability for results by presenting a three-point program aimed at:

- **Strengthening focus:** Canada will focus traditional bilateral aid in fewer countries and will aim to be among the largest five donors in core countries of interest;

- **Improving efficiency:** Canada will establish a benchmark for reducing administrative costs and will put more staff in the field; and,

- **Increasing accountability:** Canada will examine options to ensure the independent evaluation of our aid program and will report more frequently to Canadians.

This program reinforced commitments made by the Government in 2006, in both the Speech from the Throne and the Budget: to ensure greater accountability in the distribution and results of Canada's international assistance. It is within this context that CIDA developed its aid effectiveness agenda[6] which includes: 1) a strategic focus of our programming where it can have the greatest impact, 2) strengthened program delivery, 3) effective use of the Agency's resources, and 4) a clear accountability for results.

[6] See Annex 8.

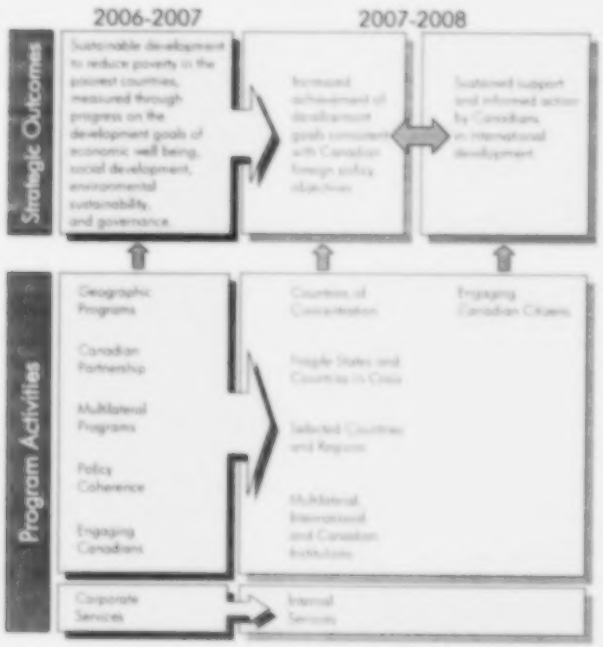
CIDA's agenda is consistent with the three-point program announced in the Budget, and goes further by providing a framework for a sound choice of sectors or program delivery mechanisms. The Agency has been implementing this agenda over the past year. Some of the work accomplished includes: making democratic governance a mandatory sector of focus in all major country programs; setting up the Office for Democratic Governance (ODG); improving the performance management system; and developing a Canadian Leadership Plan to recognize the role of civil society in promoting aid effectiveness within the international development community.

CIDA's Operating Environment

CIDA's mandate is implemented through programs with countries, Canadian, multilateral, international partners and local partners. In 2006, Treasury Board (TB) approved a revised Program Activity Architecture (PAA) and strategic outcomes as the basis for CIDA's Management, Results, and Resources Structure (MRRS). This represents a significant step forward in the way that CIDA captures results. It was developed to articulate the Agency's contribution to developing countries' achievement of their development results and, ultimately, to poverty reduction. Relationships are fundamental to the nature of CIDA's accountability for development results, whether these relationships are with governments, multilateral and bilateral donors, or with civil society and the private sector in and outside Canada.

This new structure provides a strong framework for performance measurement and reporting and served as the basis for CIDA's 2007-2008 Estimates.

Figure 1: CIDA's Program Activity Architecture Cross-Walk


2006-2007
2007-2008
Strategic Outcomes
Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well being, social development, environmental sustainability, and governance
Increased achievement of development goals consistent with Canadian foreign policy objectives
Sustained support and informed action by Canadians on international development
Program Activities
Geographic Programs
Canadian Partnership
Multilateral Programs
Policy Coherence
Engaging Canadians
Countries of Concentration
Engaging Canadian Citizens
Fragile States and Countries in Crisis
Selected Countries and Regions
Multilateral, International and Canadian Institutions
Corporate Services
Internal Services

1.2.3 Key Commitments: Highlights of Achievements in 2006-2007

CIDA's *2006-2007 RPP* presented 11 key deliverables in support of the Agency's overall priorities and commitments. Each deliverable supports CIDA priorities, i.e. progress toward the implementation of the four part aid effectiveness agenda. The table below provides CIDA's performance status for each of these key deliverables, as well as a list of selected activities and programming highlights to support the rating given to each of them.

CIDA's report card should remain understood as a valuable though subjective exercise, which reflects the results of a process of reflection and self-assessment internal to the Agency.

Priority 1: Strategic Focus	
Key Deliverables	**Performance Status and Highlights**
Concentrating programming in priority sectors: A limited number of sectoral priorities, including democratic governance as a mandatory area of focus, will be identified in all major country programs. CIDA will integrate gender equality, including women's participation in decision-making, their human rights, and access to resources, in all sectors.	**Objectives Met –** CIDA has made progress towards its objectives with regard to democratic governance and equality between women and men, as well as other sectors of focus. Examples of highlights in support of this assessment include: ✓ No more than three sectors per country strategies. ✓ Increased specific programming to promote equality between women and men. ✓ Increased emphasis on democratic governance: ○ Setting up the Office for Democratic Governance (ODG). ○ Democratic governance as a mandatory theme in all major country programs. In 2006-2007, 88 per cent of country programs had a democratic governance component, up from 81 per cent in 2000-2001. ○ Support to the Organization of American States, Haiti, Senegal, the Democratic Republic of Congo and other countries to ensure successful completion of 16 free and fair elections. ○ Support to the development of a new constitution in Nepal. ○ Support to oversight mechanisms, including the strengthening of the Auditor General's office in Mali. ○ Support for a strengthened role of parliament /elected officials in Cambodia, Vietnam, Bangladesh), media (Bangladesh), civil society (China, Pakistan).
Concentrating on fewer countries: A financial strategy is being developed to increase bilateral resources in core countries of concentration.	**Objectives Partially Met –** The phasing-out of some countries and the increased concentration in countries where CIDA can make a difference show continued progress in CIDA's efforts toward greater concentration. ✓ Increased concentration of resources in fewer countries – Between 2000-2001 and 2006-2007, CIDA's number of bilateral programs dropped from 89 to 68, and the concentration of resources to the top 20 recipients intensified from 65 per cent of bilateral disbursements to 78 per cent. ✓ Since 2002-2003, Afghanistan has been the single largest recipient of CIDA's bilateral aid. ✓ Significant multi-year commitments to both Afghanistan and Haiti. ✓ In Africa branch, the six major recipients – Ethiopia, Ghana, Mali,

	Mozambique, Senegal and Tanzania – received 71[7] per cent of ODA in 2006-2007, up from 36 per cent in 2001-2002. ✓ In Asia branch, 84 per cent of disbursements were concentrated in six countries – Afghanistan, Bangladesh, China, Indonesia, Pakistan and Vietnam – in 2006-2007, up from 63 per cent in 2001-2002[8].
Priority 2: Strengthened Program Delivery	
Key Deliverables	**Performance Status and Highlights**
Reviewing and renewing partnership programming: CIDA will complete the development of policies and principles for its future work with Canadian partner organizations. The process will include ongoing dialogue with Canadian stakeholders and specific attention to effective linkages with southern non-governmental organizations (NGOs).	**Objectives Met** – Much effort has been put towards the renewal of partnership programming. Next steps include the development of an action plan for renewal, as well as for the strengthening of civil society's contribution to development. ✓ Increased role for civil society in partnership renewal. ✓ Extensive dialogue undertaken with stakeholders through cross-Canada consultations and national events. ✓ Southern organizations represented on Expert Panel advising CIDA. ✓ Principles for effective partnership programming developed. ✓ Simplified business processes developed to reduce processing time by half for grants and contributions proposals.
Optimizing the multilateral channel: CIDA will focus its support on the most effective institutions showing concrete results on the ground. Over the next year, the Agency will work with other government departments and other donors to develop effective and relevant assessment criteria for these institutions.	**Objectives Partially Met** – CIDA has made progress on the development of a framework to assess multilateral organizations' effectiveness and relevance, despite challenges, such as the number and diversity of multilateral organizations and discussions with other donors about the possibility of a harmonized approach. ✓ Development of a framework to assess multilateral organizations' effectiveness and relevance, including reinforcement of the practice of using evaluations to inform decisions about CIDA's support for individual organizations. ✓ Agreement between Canada, Sweden and the UK on a "Joint Institutional Approach" to improve the joint governance of UNICEF in priority areas of work. ✓ Progress made in the Good Humanitarian Donorship (GHD) initiative, including: formal endorsement of the GHD principles and practices by the OECD's Development Assistance Committee (DAC); agreement on a set of indicators to measure the implementation of GHD; and a wider acceptance of standardized reporting to donors by humanitarian agencies. ✓ CIDA involvement in the UN Central Emergency Response Fund (CERF), a major new initiative to improve the timeliness of humanitarian response by pooling donor resources and making them available earlier in a crisis.

[7] This percentage does not take into account disbursements by Africa Branch in regional programming, Canada Fund for Africa and Canada Funds for Local Initiatives.

[8] If we exclude the Tsunami and earthquake reconstruction activities, 87 per cent of disbursements were concentrated in the six countries in 2006-2007.

Integrating internationally agreed principles of aid effectiveness in all programming approaches: CIDA will develop a policy and operational framework to strengthen the development impact of Canada's aid program.	**Objectives Partially Met –** While the DAC survey shows Canada is a good performer on the implementation of the Paris Declaration on Aid Effectiveness principles, ranking comparably to the European Commission, efforts are still needed to improve our performance and meet others, such as the United Kingdom, the Netherlands, and Sweden. ✓ Full compliance with DAC recommendations on untying aid to the least developed countries. ✓ Establishment of an integrated approach combining security, diplomacy and development in Afghanistan (e.g. Kandahar Provincial Reconstruction Team involving development officers, diplomats and soldiers). ✓ Program-based approaches (PBAs) as a share of bilateral aid rose to approximately 30 per cent in 2006-2007 up from 5 per cent in 2001-2002. PBAs were accompanied by measures to ensure accountability, such as the exercise of oversight through joint donor monitoring and evaluation, as well as strengthening the performance of country systems, including public finance management.

Priority 3: Effective Use of Agency Resources	
Key Deliverables	**Performance Status and Highlights**
Managing change: Setting up to meet the challenge of effective development has a profound impact on all aspects of CIDA's operations. A Secretariat has been established to coordinate the Agency's transformation.	**Objectives Met** ✓ CIDA is operating under renewed Treasury Board's approved "terms and conditions" for the grants and contributions funded by the Agency. ✓ CIDA's Business Process RoadMap, an operational guide to Agency business practices, was revised, enhanced and now operational. New training materials were also prepared reflecting changes in Agency business practices.
A representative and sustainable workforce equipped with the core competencies and supportive business processes to deliver business imperatives, including field presence initiatives: Building on recent work, the Agency will focus on defining future key competencies and designing corporate recruitment strategies and learning programs to meet business needs. Business process impediments will be identified and resolved, while ensuring accountability, transparency, and appropriate risk management.	**Objectives Met** ✓ Updated CIDA's Employment Equity Action Plan and launched a number of targeted recruitment initiatives for visible minority group representation. ✓ Increased field presence through additional staffing from headquarters or locally contracted resources, in a number of countries, including Afghanistan and Haiti. ✓ Launched a New Development Officer recruitment campaign for the entry-level officers of CIDA's business critical function, the Program Managers. ✓ As part of its succession management process, the Agency carried out an extensive study of its executive cadre to ensure leadership continuity in terms of current and future business needs. ✓ Adoption of a Community-Based Learning Framework and development of learning programs for new development officers and leaders based on both present and future key competency requirements.

A robust, well-governed human resource management (HRM) system aligned to CIDA's current and future business needs: In the short term, CIDA's goal is to strengthen HRM systemic integrity and business effectiveness, working in partnership with line management to ensure sound HRM decision-making that meets the business needs and protects the corporate interest of the Agency. In 2006–2007, efforts will be focused on establishing integrated HRM and business planning frameworks and instruments to assist the organization in identifying and meeting its current and future business requirements.	**Objectives Partially Met** ✓ CIDA focused on the implementation of its new Human Resources Management Governance Machinery and Framework, leveraging its corporate committee structure in advancing its HRM agenda. ✓ CIDA redesigned its Costed Workplan exercise to better integrate HR planning into its business planning processes.
Working toward a coherent cross-government approach: CIDA is developing strategic framework arrangements with other key federal departments to leverage their expertise, initially in the area of governance, and enhance policy and programming coherence. Programming in the areas of justice reform will be piloted within the newly created Public Sector Governance Initiative. In consultation with other departments, efforts are also underway to develop a framework for CIDA's response to fragile states and countries experiencing humanitarian crises. CIDA, in collaboration with its partners, will build on its first year of experience with the renewed management framework for the IAE in order to enhance its effectiveness as a tool to support strategic decision-making.	**Objectives Met** ✓ Whole-of-government multi-sector response to humanitarian needs in Afghanistan and Lebanon. ✓ Post-conflict coordination with DFAIT in Pakistan border areas. ✓ Ottawa Convention implementation – joint work with DFAIT, United Nations Development Program (UNDP) and other donors to integrate mine action and development in Cambodia. ✓ A Memorandum of Understanding (MOU) between CIDA and DFAIT to ensure policy and program coherence in fragile states especially, clarifying their respective mandates, as well as operating principles, roles and responsibilities which encourage cooperation and eliminate overlap or duplication so that scarce resources have maximum effect. ✓ Coordination with DFAIT on the policy implementation for peace and security programming. For example, the Canada Fund for Africa continued to work with DFAIT to deliver Peace and Security Programs in West Africa. ✓ The Canada Fund for Africa works with Industry Canada to deliver information and communication technologies programming in Africa, and with the Canadian Food Inspection Agency to help African institutions better deliver biosciences research. ✓ CIDA and DFAIT collaboration, including CIDA's ODG and DFAIT's Stabilization and Reconstruction Task Force (START), to foster the tools, approach, consistency and knowledge required to maximize the impact of Canada's policy and programming in support of democratic development abroad. ✓ The African Health Systems Initiative using a whole-of-government approach to improve health care systems at the regional and national levels in Africa. ✓ The joint management structure of the IAE has enabled core ministers to ensure coherence across the entire international assistance program from a budgetary standpoint.

	✓ Development by the ODG of a longer-term vision supported by specific framework arrangements with two governmental partners: Statistics Canada and the Office of the Auditor General.
Priority 4: Clear Accountability for Results	
Key Deliverables	**Performance Status and Highlights**
Strengthening risk management in the Agency: CIDA will continue developing an integrated risk management framework. This will include a risk communication strategy to highlight due diligence and improve its partners' understanding of CIDA's high-risk operation environment. In addition, the Agency will implement a financial risk management strategy.	**Objectives Met** ✓ Development of a Fiduciary Risk Management Policy for Program-based Approaches. ✓ TBS approval of CIDA's new Corporate Results and Risk Management Accountability Framework (RRMAF). ✓ Production of a Due Diligence Guide to assist managers in approaching risk questions in a systematic fashion.
Renewing CIDA's Performance Measurement Framework: The Agency will revise its PAA and MRRS to better reflect Canada's strategic direction and priorities.	**Objectives Partially Met** – CIDA, like other departments and agencies, needs to move forward on the next steps with regard to MRRS implementation ✓ Establishment of the Chief Financial Officer Model. ✓ Establishment of the Chief Audit Executive Model. ✓ Progress made in the implementation of the Management Results and Resource Structure (MRRS). ✓ TB Approval of Program Activity Architecture (PAA), as basis for 2007-2008 Estimates. ✓ Development of a performance measurement framework, including indicators ✓ Number of audits and evaluations carried out, including Bangladesh Program, Pakistan Program and CIDA's grants and contributions.

Management Results

Through the Management Assessment Framework (MAF) assessment, based on a series of indicators and measures, the TB Portfolio assesses CIDA's management performance. The 2006 MAF assessment shows that CIDA's results are positive. The Agency rates highly in the quality and use of evaluations and, has demonstrated improvements or is performing well in the quality of program and policy analysis, effectiveness of financial management and control and, in the effectiveness of the internal audit function. This assessment also indicates opportunities for improvement, including ongoing efforts to clarify our strategic objectives, to continue to push for results-based management and to improve corporate risk management.

CIDA's International Recognition

CIDA's performance and contribution in different sectors received international recognition in the past year. In November 2006, Helen Keller International presented CIDA with its "International Development Award" for its global leadership in Vitamin A supplementation for child survival, as the funder of the vast majority of the world's supply of Vitamin A capsules.

In May 2007, the Micronutrient Initiative, an Ottawa-based not-for-profit organization dedicated to eliminating vitamin and mineral deficiencies worldwide, won a World Bank Development Marketplace award for its project in Nepalese villages to fortify flour with micronutrients. The project was supported by CIDA funding.

"From the front lines of hunger, CIDA, the Government of Canada and the people of Canada are indeed helping make the world a better place. Canada is one of our leading partners in the world in ensuring that the children of Africa have at least one cup of food a day so they can study and learn and develop their lives. We want to thank the Government of Canada for being one of our most secure and creative partners on the front lines of hunger. Canada is one of our top three donors this year. We need you for all of the hungry we're reaching."

Josette Sheeran
Executive Director of the World Food Programme
July 31, 2007

In February 2007, Canada's contribution to humanitarian demining operations was recognized by the Organization of American States (OAS): "*Canada has been one of the most consistent and important donors in humanitarian demining operations in Latin America.* " said William McDonough, Director of the OAS Office of Humanitarian Mine Action. According to McDonough, "*As a result of Canada's humanitarian aid and the support of 15 other donor countries, Costa Rica, Honduras, Guatemala and Suriname have declared their territories free of the impact of mines and unexploded ordnance*".

In July 2007, the Tanzania's Children's Book Project, a CIDA-supported project, was honoured with the UNESCO King Sejong Literacy Prize for the efforts in the production of Kiswahili children's books and the training of teachers, writers, publishers and illustrators. For the third time, CODE, a Canadian international education and literacy development organization, and its African partners, were chosen as recipients of a prestigious UNESCO Literacy Prize for effective contributions to the fight to expand literacy in the developing world.

Canada's role in Afghanistan has often been recognized within and outside the country. Last May, for example, Seema Patel, Lead Project Consultant of the Post-Conflict Construction Project, Centre for Strategic and International Studies, stated before a Parliamentary Committee: "*Canada has played a leadership role in the country [Afghanistan], one that I would like to see more NATO countries emulate. The security and development strategy and programs is in line with what works best in Afghanistan. Canada is leading by example, spending its reconstruction and development funds on projects that build loyalty and trust - that are led by local people, with outsiders playing a supportive and catalytic role.*" Canadian leadership in Afghanistan is presented in more details in the pages that follow.

Canadian Leadership in Afghanistan

The goal of CIDA's Afghanistan program is to support the efforts of the Government of Afghanistan, the Afghan people and the international community in stabilizing Afghanistan. The Afghanistan Compact guides Canada's efforts in Afghanistan to consolidate the government's authority and legitimacy across the nation and improve the Afghan people's well being.

Canada has committed $1.2 billion for the period 2001-2002 to 2010-2011 in development assistance through CIDA. This makes Afghanistan the largest ever recipient of Canadian bilateral development aid. It also places Canada among the lead bilateral donors to the country. Highlights from 2006-2007 include:

Microfinance Investment Support Facility for Afghanistan (MISFA) ($28 million in 2006-2007): MISFA is a national microfinance program that is now one of the largest in the world. The Government of Afghanistan launched the MISFA in 2003 as a multi-donor program aimed at building the microfinance sector in Afghanistan. Canada has provided strong support to this successful program since its inception, and it continues to be its lead donor. MISFA funds 13 local microfinance institutions that, in turn, provide small loans and financial services to poor Afghans—people who would normally be denied access to such services. CIDA has invested $56.35 million in MISFA, of which $28 million was disbursed in 2006-2007. CIDA's support has enabled MISFA to expand far beyond its own predictions.

National Solidarity Program (NSP) (more than $20 million in 2006-2007): The NSP is the Afghan Government's primary program for community development. By March 31, 2007, more than 16,500 community development councils (CDCs) had been elected and almost $280 million in grants had been distributed to CDCs in 279 districts, in all 34 provinces. More than 25,000 projects had been approved and some 11,000 had been completed. Under NSP, more than half of the community projects involve productive infrastructure such as irrigation, roads, and village electrification, thereby promoting productivity and stimulating local economies. A further quarter involves safe drinking water and sanitation, which assures better health for these communities.

Afghanistan Reconstruction Trust Fund (ARTF) ($18 million in 2006-2007): The ARTF supports the Government in its efforts to re-establish a fully functioning and representative government system. It reimburses a portion of the Afghan Government's day-to-day operating expenses, including expenditures for wages, benefits and other payments for government employees, as well as operations and maintenance of departments. CIDA's support to the ARTF ensures regular salary payment to more than 270,000 civil servants, including 144,000 teachers.

National Area Based Development Program (more than $9 million in 2006-2007, of which $6.1 million went specifically for Kandahar province): This project supports the Ministry of Rural Rehabilitation and Development 's poverty reduction programs at the district level by creating District Development Assemblies (DDAs), which assist in establishing District Development Plans. Besides enabling the poor to overcome extreme poverty and build sustainable livelihoods, these plans help to address the special needs of farmers dependent on poppy cultivation, disarmed militias, returning refugees and the rural vulnerable, including the nomadic Kuchi population. Since 2001, 137 DDAs have been formed; nine provinces have such assemblies operating in all of their districts (including Kandahar) and three provinces are partially covered. More than 540 recovery projects, such as dams, roads, bridges, and irrigation canals have been implemented, which benefits more than 2 million people. This is in addition to the number of quick impact projects that have provided homes for 4,000 families, as well as seeds and fertilizers to 70,000 farmers.

Mine Action National Development Budget ($7 million in 2006-2007): Of the total contribution, almost $4 million has been supporting a 12-month project in the Kandahar districts of Panjwayi and Zhari to demine 2.9 million square metres of contaminated land. Also, through this contribution, more than 8 million Afghans have benefited from mine risk education activities. In addition, under the Anti-personnel Mine and Ammunition Stockpile Destruction project, almost 29,000 tons of ammunition have been surveyed and more than 330,000 anti-personnel mines and 12,000 tons of ammunition have been destroyed as of January 2007.

Programs implemented through Canadian, multilateral and international partners funding are achieving the following:

- **Strengthening the Rule of Law** (more than $2 million in 2006-2007): Under a project implemented by the International Development and Law Organization, 75 prosecutors and 90 judges have been trained. Access to legal aid has also increased.
- **Women's Rights Fund** (close to $300,000 in 2006-2007): Women's rights to education, capacity building and participation in political processes are being reinforced with the support of the NGO Rights and Democracy.
- **Salt Iodization** ($750,000 in 2006-2007): The Micronutrient Initiative is preparing to provide iodized salt for up to 10 million Afghans, thereby helping to protect thousands of children from the risk of being born mentally impaired.
- **Polio Immunization** ($5 million in 2006-2007): As a component of the Global Polio Eradication Initiative, more than 7 million children are being immunized against polio, including more than 350,000 children in Kandahar Province.
- **Food aid** (nearly $12 million in 2006-2007): CIDA's contributions are assisting the WFP's efforts to reach more than 3.4 million people with food aid.

Enhancing Aid Effectiveness in Afghanistan – Results of a Review

CIDA recently completed a program review of the Afghanistan Program covering the period May 2005 to January 2007. The objectives of the Review were to assess performance in terms of progress made towards the achievement of the stated results and to ensure that the funds were properly managed.

In spite of the obvious constraints associated with the Afghanistan Program, the Review found that an appropriate accountability and risk management regime is in place to ensure that funds are properly used. The Program made good choices in terms of the types of initiatives funded and mechanisms used. Among the eight largest projects, which accounted for $178 million, or 63 per cent of the $285 million disbursed by CIDA during the period covered by the Review, six have significantly improved people's lives. One was under-performing and the funds were reallocated to well performing initiatives. Another was slow getting off the ground and was just starting. Among the remaining 19 smaller projects, some have had good results while others have had mixed results. Among the latter, were two initiatives that involved less experienced partners.

The Review also offers recommendations for improvements in strengthening monitoring/oversight as well as Program operations in the field through increased staff level and a fully operational Program Support Unit. The review identified a number of lessons and recommended improvement in three areas: strengthening monitoring and oversight; improving results tracking and reporting; and strengthening Afghanistan program activities in the field. CIDA is already implementing the recommendations.

1.2.4 Factors Affecting Performance in 2006-2007

Overall, the Agency has succeeded in making much progress with regard to the commitments set out in its 2006-2007 RPP. These successes have been achieved despite a number of challenges that may have affected performance, but that also provided valuable lessons.

CIDA works in some of the world's riskiest environments, exacerbated by extreme poverty, war and conflict, differential treatment based on gender, environmental degradation, social and economic instability, famine, infectious disease and natural disasters. In 2006-2007, conflict and security issues, political instability and an aging workforce were some of the most important factors affecting performance.

Security implications have an impact on CIDA's ability to implement projects as planned and contribute to delays. Delivering development assistance in areas of conflict and limited security (such as Kandahar Province in Afghanistan) poses significant safety challenges for development programs and staff security. Risks, however, are mitigated by limiting field presence of staff and by working closely with government and NGO partners. In such circumstances, CIDA chooses partners carefully by ensuring they have a solid reputation for results and performance in similar environments. Where possible, regular formal and informal monitoring and reviews are undertaken by both local CIDA staff and hired contractors. CIDA also uses information collected via monitoring activities undertaken by other government and non-government partners and donors. This mitigates potential risk to CIDA's capacity to account for its investments.

Political instability can also affect CIDA performance. CIDA programming in West Bank and Gaza was restructured following the victory of Hamas in the January 2006 Palestinian legislative elections and the suspension of Canadian assistance to the Palestinian Authority. Canada suspended, terminated or restructured projects that worked directly with the Palestinian Authority. Canada maintained the level of assistance to Palestinians but refocused its support to address humanitarian needs. Support was delivered primarily through multilateral institutions and other partners.

One of the Agency's internal emerging challenge is impending staff retirements. The anticipated gap in CIDA's workforce and loss of corporate knowledge is being addressed by efforts to integrate and plan capacity, and by capability strategies to ensure continued effectiveness, high performance and sustainability.

The following section, although not exhaustive, highlights a number of lessons drawn from CIDA's performance and experience in 2006-2007:

Partner capacity is the key to greater local ownership: CIDA encourages greater local ownership and accountability by using, wherever possible, the systems, procedures and developing country and regional institutions to implement, monitor and evaluate programs and projects. In the case of weak management and administrative capacity within a government, CIDA, in concert with other donors, sets realistic goals and provides training, technical assistance and mentoring in such areas as analysis, public financial management and procurement, and monitoring and evaluation of poverty reduction strategies.

Specialized tools and training for staff play key roles in advancing equality between women and men: CIDA has developed its technical capacity and that of its partners and continues to integrate lessons learned into new programs. For example, a gender review of all CIDA programming in Indonesia was conducted to take stock of lessons learned and inform future programming. The review noted that the tools and training program developed during a CIDA 2001 project have continued to serve as the basis for knowledge and action on gender mainstreaming. The review also stated CIDA has had considerable impact in raising awareness and knowledge of equality issues both in government and civil society.

The importance of critical mass within civil society: One of the key lessons drawn from CIDA's program in the Democratic Republic of the Congo is that it is much more effective to work with a coalition of organizations sharing the same goals and rallying around the same specific objective, such as ensuring a free and fair election process. The risk in these situations is that once the event has passed, fragmentation of civil society is often the result, which reduces the pressure on governments for accountability. To address this type of problem, CIDA, in collaboration with other donors, is supporting the strengthening of NGOs and the media in DRC, Ethiopia, Tanzania, Nigeria and Kenya to better enable them to demand accountability from their governments.

Leadership in innovations: Public and private partnerships can be very successful in using Canadian expertise, other countries, civil society and private sector organizations to assist developing countries. Canada will continue to pursue innovative approaches such as the partnerships with the Gates Foundation to fund research for a HIV/AIDS vaccine as well as the Advance Market Commitment (AMC) for pneumococcal vaccines. AMCs are designed to create stronger incentives for industry to develop and produce vaccines that meet the specific needs of developing countries. Both initiatives are consistent with Canada's agenda on aid effectiveness and results—vaccination has clearly been shown to be one of the most effective ways to fight infectious diseases.

1.3 Development Results in CIDA's Sectors of Focus

This new section illustrates selected development results in the following sectors: democratic governance, private sector development (PSD), health (including HIV/AIDS), basic education, environmental sustainability, and equality between women and men, these last two also being cross-cutting themes.

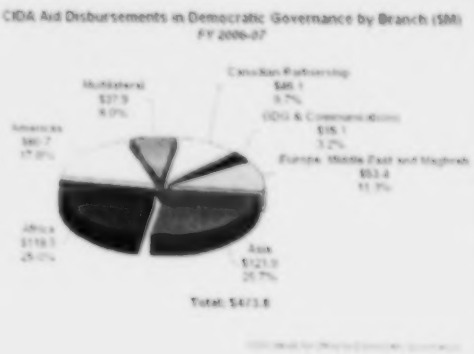
Democratic Governance

Context: Democratic governance is key to developing countries realizing the MDGs. Important progress has been made over the past 30 years with the collapse of some 60 dictatorships, particularly in Africa and Eastern Europe, and more than 81 countries making significant gains in democratization. However, challenges remain. Despite a downward trend in the number of armed conflicts in the world, there were still 25 in 2005. Women's participation in politics is still very low, with women holding less than 16 per cent of the world's parliamentary seats in 2005.

CIDA's approach: For democratic governance to be effective, it must be multidimensional, incorporating respect for human rights, equality between women and men, and the rule of law. It requires accountable and inclusive public institutions with the technical and organizational capacities to deliver a wide range of policies and services. And it requires a commitment to democracy, civic participation, independent media, and an active civil society that can provide checks on corruption and the abuse of power.

For CIDA, democratic governance consists of four mutually reinforcing elements: freedom and democracy; human rights; rule of law; and accountable public institutions, as well as a commitment to equality between women and men.

CIDA disbursements in 2006-2007: CIDA invested $473.8 million in democratic governance, or 17.1 per cent of total disbursements.



Selected Results in 2006-2007

- With CIDA support, the Defensor del Pueblo in Bolivia, an NGO that works to ensure that the human rights of the poor and most marginalized people are promoted and protected, successfully remedied 3,000 human rights violations by 2006, trained 4,000 public servants to respect human rights and launched an anti-discrimination campaign on 129 different radio and television stations.

- In its efforts to develop impartial and accessible legal systems that can deliver timely and effective justice, CIDA helped increase the capacity of Bangladesh's Ministry of Law to draft better laws and improve the country's prosecution, juvenile justice and legal aid systems.

- CIDA helped the Government of Mali in implementing its tax reform, allowing it to surpass for the first time its customs revenue, thereby significantly increasing the country's overall revenue. This is a way to ensure accountable and transparent government that deliver essential public services to citizens.

- CIDA helped Cambodia's parliamentarians to establish new practices for drafting legislation, consultations with stakeholders and the Cambodian public, encouraging informed debate within its Parliament, enhancing therefore freedom and democracy.

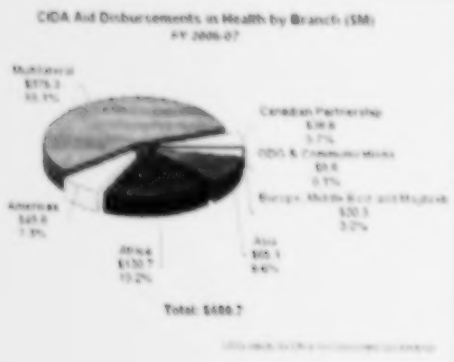
- CIDA established the Office for Democratic Governance to consolidate the Agency's efforts in democratic governance and to leverage Canada's comparative advantage.

Health

Context: Every year, almost 11 million children under five die of preventable causes; HIV/AIDS claims three million lives; tuberculosis, two million, and malaria, 1.2 million, and 529,000 women die of causes related to childbirth. Health services suffer from quality, efficiency and equity gaps.

CIDA's approach: Programming focuses on policies, initiatives and relevant research that: prevent and control high-burden, poverty-linked diseases, particularly HIV/AIDS; improve infant and child health; improve sexual and reproductive health and reduce maternal morbidity and mortality; and improve food security and nutrition. CIDA has also scaled up its efforts to strengthen health systems and human resources for health.

CIDA disbursements in 2006-2007: CIDA disbursed $681 million in health, including HIV/AIDS).



Selected Results in 2006-2007

- As of December 2006, CIDA's support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) had contributed to providing antiretroviral treatment for HIV for 770,000 people (up from 384,000 the previous year), tuberculosis treatment to 2 million people (double the number of previous year) and 18 million insecticide-treated bednets to protect families from malaria (135 per cent more than previous year). As a result of these initiatives, approximately 1.8 million lives have been saved since 2002.

- Insecticide-treated bednets have been shown to reduce child deaths from malaria by approximately 20 per cent. Beyond support to the GFATM, CIDA provided more than $43 million between 2003 and mid-2007 for the distribution of bednets in Africa, through partners such as UNICEF, the Canadian Red Cross and World Vision. This funding has enabled the distribution of over 4.5 million bednets, saving an estimated 128,000 children's lives.

- In Mali, funding from the Gender and Development Fund in the Bandiagara circle led to the elimination of the practice of female genital mutilation in 68 villages, impacting the lives of approximately 47, 000 women and girls of reproductive age. The success of this funding also contributed to the development of a regional protocol to eliminate this practice.

- Modern tuberculosis (TB) treatment not only cures TB in infected patients, it also curbs transmission of the disease, and the cost to save each person's life averages less than $200. The World Health Organization (WHO) indicates that CIDA's support in the fight against TB has saved approximately 750,000 lives in the last decade. Canada has been a global leader in TB treatment, playing an active role within the global Stop TB Partnership. CIDA was also the founding donor to the Global TB Drug Facility (GDF), which is managed by the WHO. Building on previous support to the GDF, CIDA's 2006-07 contribution of $25 million enabled the treatment of nearly 900,000 TB sufferers who would otherwise not have had access to the proper drugs, thereby saving an estimated 100,000 lives.

Health (continued)

CIDA's Focus on HIV and AIDS

HIV/AIDS has been a program priority for CIDA for more than 10 years. On World AIDS Day, December 1, 2006, Canada launched its long-term, comprehensive approach to fighting HIV and AIDS globally. In 2006-2007, CIDA disbursed approximately $90 million for HIV and AIDS activities. Canada's overall response to HIV and AIDS is based on the principles of promoting gender equality; strengthening health systems to ensure equitable access to essential care, treatment and support for all those who need it; promoting the rights of children and protecting and supporting those children affected by HIV and AIDS; and ensuring an effective and evidence-based approach to prevention. CIDA recognizes the need to address the complex determinants of health in each community that increase vulnerability to HIV/AIDS and erode the resilience of women, men and children infected and affected by the epidemic.

A notable example of CIDA's focus on HIV and AIDS is CIDA's substantial support to the GFATM since its creation in 2002. The Global Fund provides large-scale financial support to expand country-led programs to improve vital health-care services. As of the end of 2006-07, Canada had contributed a total of nearly $530 million to the Global Fund.

Canada is committed to playing a leadership role in ensuring a comprehensive and integrated response to HIV and AIDS, particularly in developing countries and supports the scaling up efforts towards universal access to HIV prevention, treatment, care and support by 2010. Canada was a key partner in hosting the International AIDS Conference in Toronto in August 2006. The Government of Canada also took a leadership role in hosting a Ministerial High Level Round Table discussion on the impact of HIV/AIDS on women and girls.

Among current initiatives CIDA is contributing to are:

- ***Development of new prevention technologies.*** In February 2007, Canada announced the creation of the Canadian HIV Vaccine Initiative (CHVI), a collaborative effort between the Government of Canada and the Bill & Melinda Gates Foundation to contribute to global efforts to develop a safe, effective, affordable and globally accessible HIV vaccine. Canada is committing up to $111 million to the CHVI, and the Gates Foundation will provide up to $28 million.

- ***Enhancing protection for children affected by HIV and AIDS.*** The Southern African AIDS Trust has helped to treat 340,000 children and 43,000 adults affected by HIV/AIDS and provided home care services to 42,000 people living with HIV/AIDS.

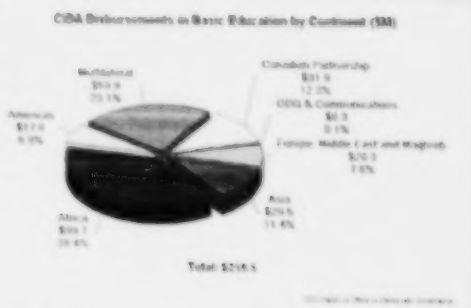
- ***Promoting equality between women and men through prevention.*** In Zimbabwe, some 20,000 women have benefited from programs to prevent parent-to-child transmission of HIV/AIDS. 14,000 women took part in education and awareness workshops about transmission, 6,500 women received testing and counselling services and more than 800 women and 650 infants accessed anti-retroviral treatment.

Basic Education

Context: Developing countries have made important progress towards achieving the Education for All and MDG education goals over the last five years: primary school enrolment has increased, with spectacular advances in regions with the lowest enrolment, particularly in Sub-Saharan Africa; more girls are in school than ever before; since 2000, the number of out-of-school children has fallen by over 25 million; and both foreign and domestic spending for basic education has increased. However, challenges remain in terms of quality and quantity. Seventy-two million children are not in primary school. Children that are out of school or drop out are most likely to come from poor households and 57 per cent are girls.

CIDA's approach: CIDA has demonstrated sustained commitment to programming in basic education, especially girl's education, teacher training and capacity of national ministries of education. With other donors, CIDA invests in the implementation of national education plans, plays a leadership role in global partnerships and supports Canadian partners to increase access to marginalized groups and improve education quality.

CIDA disbursements in 2006-2007: CIDA disbursed $260 million on basic education in 2006-2007. Canada is on track to meeting its G8 commitment to increase funding for basic education in Africa from $100 million to $150 million annually by 2010-2011. Canada provided a one-time $25-million contribution to the Education for All Initiative (Fast Track Initiative and Global Monitoring Report). This funding is helping developing countries establish and implement sound national education plans.



Selected Results in 2006-2007

- Through its support to the Action Plan for Literacy in Senegal, CIDA helped to reduce the number of people who cannot read and write. In 2006, CIDA supported the creation of 2000 classrooms in 6 regions of the country, allowing over 62,000 people to have access to literacy training. CIDA's support to literacy in Senegal is mainly targeting women and youth.

- Through Canadian support to the CODE/Progresso literacy program in Mozambique, close to 2,000 primary teachers increased their skills through in-service training; 56,000 copies of books were provided on HIV/AIDS in Portuguese; and 33 titles and over 100,000 copies of literacy books, manuals and booklets in five local languages were published and distributed. In 2005, Progresso was awarded the UNESCO International Reading Association Literacy Prize for their work in Mozambique.

- As a result of CIDA-funded *Save the Children Canada*'s basic education program, over 4,000 indigenous girls and boys in Bolivia and close to 3,000 indigenous girls and boys in Peru are completing quality formal education. Ninety-six children with disabilities have been mainstreamed into the formal education system.

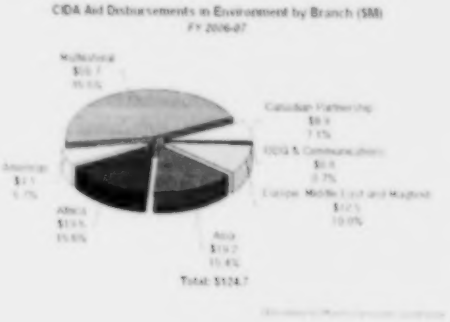
- CIDA's concentration of investments in basic education – more than doubling spending from 1999-2000 to 2006-2007 and increasing funding to Africa to $150 million annually by 2010-2011 – have contributed to at least 9 million additional enrolments at the primary level in Africa since 2000.

Environmental Sustainability

Context: Since 1990, the proportion of the world's land area covered by forests dropped by one per cent to 30 per cent; energy use per unit of gross domestic product (GDP) dropped but CO2 emissions nearly doubled; access to safe drinking water rose from 71 per cent to 80 per cent, but 1.1 billion people have no access to safe water and 2.6 billion lack sanitation services; nearly 1 billion people live in urban slums

CIDA's approach: In addition to systematically integrating environment in all its decision-making processes, the Agency focuses its efforts on climate change, land degradation, freshwater supply and sanitation, and addressing the environmental impacts of urbanization. CIDA regularly applies the *Canadian Environmental Assessment Act* (CEAA) and the Cabinet Directive for Strategic Environmental Assessment (SEA) of policy, plan and program proposals to integrate environmental sustainability linkages to its development interventions

CIDA disbursements in 2006-2007: CIDA invested roughly $124.7 million in environmental initiatives, 63 per cent of which was disbursed through multilateral institutions, such as the Global Environment Facility (GEF). Due to a reduction in the amount of funds disbursed to GEF, CIDA's environment spending decreased by approximately 38 per cent from 2005-2006.



Selected Results 2006-2007

- CIDA integrated environmental concerns into all new projects. Under the Cabinet Directive for SEA for 2004-2007, 116 Ministerial Decision Memos underwent SEAs representing programming investments of about $2 billion. Between the period of 2003-2006, 515 projects were assessed under the *Act*.

- In Honduras, some 20,000 people in several rural communities have benefited from a clean water supply project, exceeding the target by 25 per cent. Initial comparisons with the baseline data reveal a significant drop in diarrhea and skin infections in the area as a result of the latrines, improved household wastewater drainage, and better health, hygiene and sanitation education.

- In China, international-calibre expertise and policy advice to the State Council on environmental matters has influenced both policy and practice. Recommendations have guided development of regulations for the prevention and control of river basin water pollution and for cleaner production and recycling in industry.

- In Peru, a new waste management facility processes some 25,000 tonnes of waste per week into recyclables and compost for community gardens.

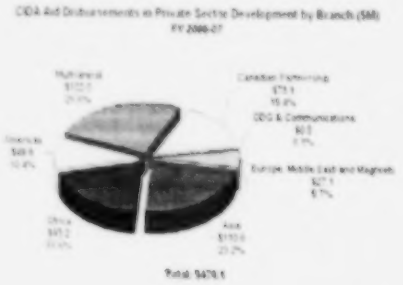
- CIDA is a long-standing supporter of the GEF, a multilateral organization that provides grants to developing countries for projects that benefit the global environment and promote sustainable local livelihoods. Through CIDA, Canada contributed approximately $35.5 million in core funding to the GEF in 2006. The GEF's 2005 performance study indicates that the GEF's programs have had a notable impact on reducing the loss of biodiversity, played an important role in promoting energy efficiency in developing countries, and helped to reduce the production, trade, and emissions of ozone-depleting substances.

Private Sector Development (PSD)

Context: Significant economic progress has been made in Eastern European and Asian countries, and improvements to the business-enabling environment have been observed in Africa and Latin America. In the developing world overall, 19.2 per cent live on less than US$1 a day, down from 31.6 per cent in 1990. However, the gap between rich and poor is widening; in 1980, the poorest fifth of the population in developing countries held 4.6 per cent of the national wealth; by 2004 that had dropped to 3.9 per cent.

CIDA's approach: CIDA supports developing countries' efforts to strengthen their private sectors in order to foster broad-based economic growth that contributes to poverty reduction and sustainable development. Programming focuses on promoting entrepreneurship, creating a business enabling environment, and strengthening connections to markets.

CIDA disbursements in 2006-2007: CIDA's private sector development investments amounted to $476.1 million, or 17 per cent of total CIDA aid spending, an increase of approximately $90 million over the previous year. Agriculture represented the single largest sector of investments for CIDA within PSD, with $183 million disbursed in 2006-2007.



Selected Results in 2006-2007

- In Indonesia, CIDA has been providing support, since 2005, to the Asia Foundation to create an environment in Sulawasi conducive to small and medium enterprise growth, by pioneering the creation of one-stop services centers in eight districts where business licenses and permits needed by business owners are issued in a more timely and efficient manner.

- CIDA has committed $17 million to the development of the Hydrocarbon sector by supporting the Bolivian and Peruvian Governments to better enforce management practices and ensure that resources are exploited in a technically and environmentally sound manner. For example, CIDA's investments have been instrumental in providing Peru with capacity building to regulatory agencies in all technical aspects relating to the design, construction and operation of natural gas transmission and distribution pipelines.

- With the objective of driving local development in Ukraine, CIDA has been supporting since 2002 the development of five very successful Rayon Business Centres, through the Small Business and Economic Development in Ivano-Frankivsk Regional Network Project. As a result of their services, more than 700 new businesses have been launched, over 12,000 jobs have been created and the community has seen increases in investment levels and tax revenues for local governments.

- CIDA's support for the Consultative Group for International Agricultural Research – 15 International Agricultural Research Centres – has contributed to progress on the MDG to eradicate extreme poverty and hunger. Through CIDA, Canada contributed approximately $17.4 million in core funding in 2006, enabling the group to contribute to results such as: increased wheat yields (while reducing production costs); rice varieties for Africa that have increased yields (while reducing labour by women farmers); and maize varieties with higher quality protein that have been planted on hundreds of thousands of hectares in 25 countries.

Equality between Women and Men[9]

Equality between women and men is a cross-cutting theme that is integrated across a significant portion of CIDA's programming.

Context: In addition to very high maternal mortality rates in Africa, women account for 75 per cent of young people living with HIV, and violence against women is often intensified in areas of conflict. In many developing countries, 60 per cent of women workers earn their living in the unprotected informal sector. In some parts of Africa, while women own less than 10 per cent of land, they perform almost 75 per cent of farm work. Women account for only 17 per cent of single and lower houses of parliament.

CIDA's approach: For over thirty years, Canada has been an international leader in promoting the rights and equality of women. Equality between women and men is a cross-cutting theme throughout CIDA's programming, which focuses on three critical results areas: equal participation of women and men in decision making; the human rights of women and girls; and women's equal access to and control over the resources and benefits of development.

In 2006, CIDA announced its intention to increase specific programming in equality between women and men to reflect the critical importance of enabling women's full potential for contributing to sustainable development, while maintaining integrated programming. Equality between women and men is one of Canada's two top development assistance priorities for enhanced focus in 2007-2008.

Selected Results in 2006-2007

- In Malawi and Kenya, CIDA contributed to the realization of women and girls' human rights by supporting the development and passing of domestic legislation to address domestic violence. CIDA also contributed to strengthening their capacity to integrate gender equality considerations into their planning and implementation processes, including the development of budgets and medium-term development plans.
- Through the Kore Fanm Fund, Canada has established itself as the only donor funding projects that support Haitian organizations and institutions that promote, protect and defend women's rights, and work to prevent violence against women. In 2006-2007, the Kore Fanm Fund achieved these results: awareness-raising of 17 political parties and the general political environment on the importance of women's participation; 1,500 women and 300 men were sensitized to gender equality; more than 1,600 members of 23 women's organizations in three departments received training and organizational support and centres for women victims of violence were set up in three departments.
- CIDA-funded work in Bangladesh targeted, among other issues, employment of poor women. One such initiative, the very successful project Challenging the Frontier of Poverty, has increased the asset base of more than one million ultra-poor women, thus allowing them to increase their income, move up the finance ladder, thereby enabling them to access micro-credit services. An extension of this project has been approved to benefit even more recipients.
- In Malawi, through the work of CARE Canada, awareness raising on HIV/AIDS in the schools has increased girls' assertiveness, and School Management Committees are now challenging the abuse of girls in the schools.

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[9] Given the increase in specific programming, in 2008-2009, CIDA will be better positioned to provide actual spending in equality between women and men.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES

2.1 Geographic Programs

Financial Resources

Planned spending	Authorities	Actual spending
$1,637,749,000	$1,697,576,888	$1,588,475,777

Human Resources

Planned	Actual
839	889

Geographic programs are grounded in the developing country's national development plan or poverty reduction strategy. CIDA responds to requests for assistance from governments based on their own development priorities, the country's capacity to absorb the aid, and Canada's ability to make a difference.

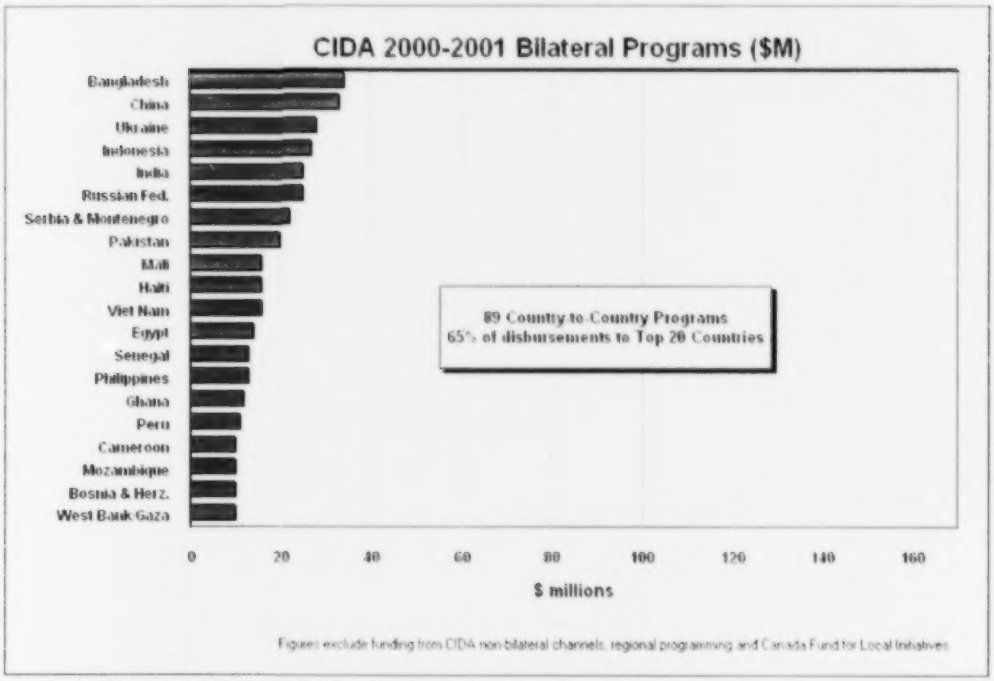
2.1.1 Strategic Focus

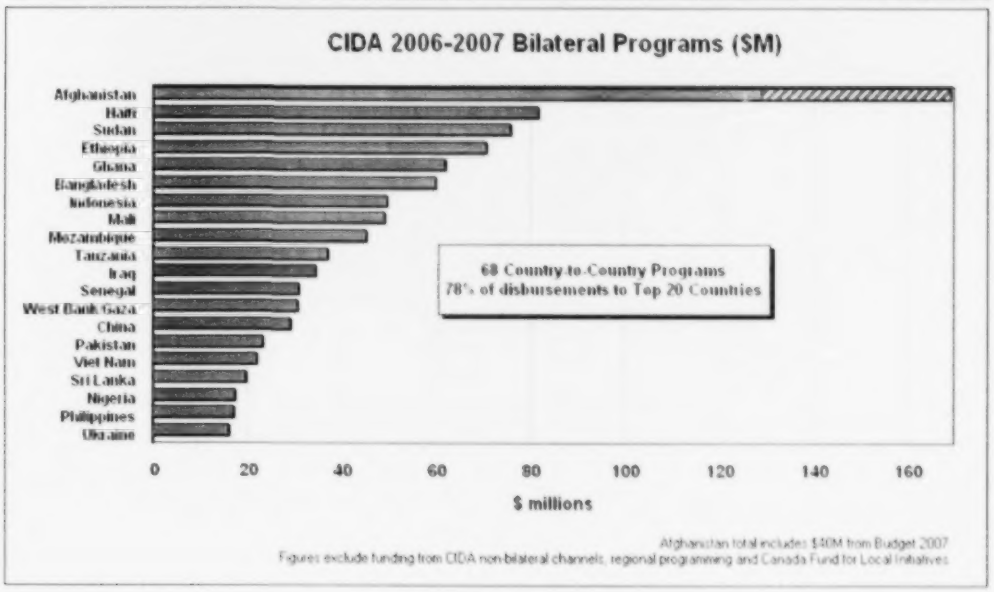
Geographic Concentration

As can be seen from the graphs that follow, between 2000-2001 and 2006-2007, CIDA's number of bilateral programs dropped from 89 to 68, and the concentration of resources to the top 20 recipients intensified from 65 per cent of disbursements to 78 per cent. In 2006-2007, Africa Branch, the six major recipients – Ethiopia, Ghana, Mali, Mozambique, Senegal and Tanzania – received 71[10] per cent of ODA spending in 2006-2007, up from 36 per cent in 2001-2002. In Asia Branch, 84 per cent of disbursements were concentrated in six countries – Afghanistan, Bangladesh, China, Indonesia, Pakistan and Vietnam – in 2006-2007[11], up from 63 per cent in 2001-2002.

[10] This percentage does not take into account disbursements by Africa Branch in regional programming, Canada Fund for Africa and Canada Funds for Local Initiatives.
[11] This number increases to 87 percent if Tsunami and earthquake reconstruction activities are not included.

CIDA Development Assistance to Selected Countries of Concentration





CIDA also expanded its programming in support of Canadian priorities: in Afghanistan, the government reiterated its commitment of $1 billion over 10 years in Budget 2007, with an additional $200 million for reconstruction and development in Afghanistan ($150 million through CIDA and $50 million through DFAIT).

Canada is on track to meet its commitment made at the Gleneagles G8 Summit in 2005 with assistance to Africa doubling from 2003-2004 to 2008-2009. Accordingly, Canada's international assistance to Africa will reach $2.1 billion in 2008-2009.

Haiti is a fragile state and the largest recipient of Canadian assistance in the Americas and Canada confirmed a commitment of $520 million over five years.

CIDA was fully engaged in the preparation of the Government's Strategy for re-engaging in the Americas. The government is now working actively to implement its strategy and CIDA is adapting its program accordingly.

Sharpening sectors of focus

CIDA intensified its commitments in two key sectors – democratic governance and equality between women and men. In 2006, the Agency committed to increasing its specific programming in equality between women and men, generating additional planning across all programs. Early results include the launch of a new Gender Fund in Jordan, as well as additional programming for women in Afghanistan.

CIDA has made great stride in ensuring that country strategies focus on a maximum of three sectors. In Africa, Canada was the lead donor in democratic governance, basic education and health. In Asia, Canada leads in democratic governance, private sector development and health. In the Americas, the main focus has been in the sectors of democratic governance, health and basic education. In 2006-2007, programming was focused primarily in the areas of governance, private sector development and education in Eastern Europe, the Maghreb and the Middle East.

In all regions, CIDA has continued to be a leader in equality between women and men whether in specific programming or as a cross-cutting theme.

Advancing Education in Mozambique

In line with its commitments to support education in developing countries, CIDA's total bilateral aid to education in Mozambique was $23 million in 2006-2007. CIDA is using a mix of programming approaches through its bilateral program, to assist the Government of Mozambique to expand access, improve quality of education and develop the capacity of the education system.

At a project level, CIDA supports the program of the Mozambican NGO Progresso, in conjunction with the Canadian NGO CODE, to promote literacy in the northernmost part of the country (the area with the highest illiteracy rates). Progresso is impacting students and adults directly through its programming, and won the UNESCO prize for literacy in 2005 for its work. CIDA benefits, as well, by having a partner working with 'eyes and ears' on the ground.

CIDA works directly with the Ministry of Education and Culture (MEC), in the procurement of textbooks and other teaching materials for the 4 million primary school students in the country. Along with providing the funding for these materials, CIDA has contracted a Canadian Procurement Agency to sit in MEC, assisting them in implementing international competitive bidding processes, and ensuring that CIDA's funding is well used.

At the program level, CIDA supports, in conjunction with other donors, the Ministry's sector-wide education program (including teacher training and school construction). CIDA has a full-time education advisor that participates in the various working groups of this sector-wide program, contributing to the wise use of resources and the thoughtful implementation of policy. CIDA's participation has contributed to the expansion of the education system while maintaining quality standards, financed by the Government of Mozambique and a group of donors.

CIDA partners closely with other donors and the Ministry on following a negotiated set of indicators and targets for monitoring the Ministry's performance and the budget execution of education spending. This includes an elaborate system of joint working groups between donors and the government, negotiations, policy dialogue and influence, to ensure education spending is used in the most effective way possible, according to the Ministry's program, priorities and pre-approved budget. Each one of CIDA's financial contributions is preceded by extensive analysis according to scheduled performance assessments, evaluations and audits. CIDA has two full-time advisors working on education, ensuring that the whole of the Canadian contribution is well managed. Program staff and other CIDA advisors and specialists support these advisors throughout the life cycle of these projects.

Key results include:

- In 2006, the net primary enrolment ratio reached 87 per cent (84 per cent for girls), surpassing the target of 85 per cent. Over 4 million primary students attended school in Mozambique, an increase of over 1.1 million students since 2002 and a 6 per cent increase since 2005. The primary completion rate in 2005 was 34 per cent (27 per cent for girls).
- More than 1,800 new primary schools have been built since 2002, an increase of over 20 per cent.
- Approximately 11.5 million textbooks, workbooks and teachers manuals were published and delivered to Mozambique in 2006-2007, reaching more than 4 million primary teachers and students and bringing Canada's total contribution to more than 75 million books over the past decade.
- In 2006, MEC continued to implement an in-service teacher-training program, with a total of approximately 10,000 new teachers being contracted in 2006-2007 (an increase of 11 per cent from the previous year's rate).

2.1.2 Strengthened Program Delivery

CIDA continued to strengthen its program delivery by implementing the lessons learned of what makes aid more effective. The Agency has at its disposal a range of programming tools, from traditional projects, to delegated cooperation and Program-based Approaches (PBAs). These approaches bring together a group of donors, under the host country's leadership, in a single comprehensive program with a single budget and harmonized donor procedures, in support of that country's poverty reduction programs. This entails working with country systems rather than establishing parallel structures and, for that reason, requires concerted effort to increase the performance of those systems over time, including in such crucial areas as public financial management and procurement

The opportunities and risks guide the choice of programming tool. PBAs provided opportunities for both harmonization among donors and greater alignment with local priorities, and maximize the sustainability of development results. The right environment for the use of PBAs can be found in countries of concentration. They are also used in other countries, such as fragile states with additional appropriate safeguards, through trust funds managed by multilateral institutions. Basic education and health are the two sectors where PBAs are found most often.

As part of the renewal of its Terms and Conditions approved by TB in March 2007, CIDA submitted findings related to evaluations of PBAs, and lessons learned in managing budget support and pooled funds. Although it is too early to assess the impact of PBAs on poverty reduction, evaluations noted positive effects, for example in increasing access to social services and strengthening public financial management. Overall, it was found that PBAs work best as part of a portfolio of approaches; and while they offer advantages and opportunities for the development cooperation community, they entail different types and levels of risks than the traditional PBA. To respond to these findings and ensure appropriate use of PBAs in the Agency, CIDA is developing a suite of policy and program tools constituting an appropriate management accountability framework for PBAs.

2.1.3 Effective Use of Agency Resources

In 2006-2007, CIDA increased its field presence to improve knowledge, enhance its ability to act quickly and effectively on the ground, and build its alliances and relationships in country. The Agency took steps to remove business impediments that prevented it from finding cost savings through new types of funding arrangements and partnerships.

- ***Enhanced field presence:*** CIDA increased its staff in countries such as: Afghanistan, Bolivia, Haiti, Nicaragua, Vietnam, Cambodia, Indonesia, Senegal, and Ethiopia through additional staffing from headquarters or locally contracted resources. It provided training to field personnel, including regional workshops on PBAs in Mali, on equality between women and men in Kenya, and on financial management and contracts in Honduras, Nicaragua, Guatemala and El Salvador;

- ***Creative funding solutions:*** Through the Pakistan-Canada Debt for Education Conversion project, payments on Pakistan's current debt of $117 million to Canada will be redirected over five years to improve teacher education facilities and programs. This initiative is fully aligned with the Government of Pakistan's systems, procedures and national priorities.

- ***Innovative common arrangements:*** CIDA has used common arrangements, such as pooled funds and delegated cooperation[12], as means of easing the administrative burden on donors and developing countries. CIDA is also an active partner in a number of delegated cooperation arrangements and silent partnerships, such as the one with the Netherlands, in Nicaragua. *"After carefully examining CIDA's management and financial systems, we decided to channel our contribution to PROASE through CIDA,"* said Jan Hoekema, Director, Education Division, Ministry of Foreign Affairs of the Netherlands. *"CIDA has all the necessary checks and balances in place for ministerial accountability. This new way of working together makes sense for donors with common priorities in Nicaragua. It reduces transaction costs at many levels while ensuring that we are managing for results."*

2.1.4 Clear Accountability for Results

Accountability for results is critical to aid effectiveness; accurate performance measurement provides the basis for assessing progress, improving performance and fulfilling CIDA's primary accountability requirements vis-à-vis the Canadian public.

Country programs are managed on the basis of a performance measurement framework, most often aligned with the country's national poverty reduction strategy, and shared with other donors and partners. These provide relevant essential information for decision-making.

2.1.5 Selected Performance Reports

The pages that follow present a number of reports highlighting performance with respect to development objectives and CIDA's contributions to them. They include:

- Five country reports based on annual programming performance reviews;
- One country report based on a program evaluation; and,
- A Canada Fund for Africa report.

[12] Bilateral delegated cooperation can be defined as one donor (lead) acting with authority on behalf of another delegating donor (silent partner). The level and form of delegation may vary and take place at different phases in the project cycle.

Ghana

At a glance…

Population	22.5 M
Area (km2) (2005)	239,000
Population density /km2	99
GNI Per Capita	US$520
Life Expectancy (2005)	57
Aid Per Capita US$ (2005)	51
Human Development Index	136th out of 177
Corruption Perceptions Ranking	70th out of 163

Unless indicated, all data is from 2006
Sources: World Bank, World Development Indicators (WDI) Online and Transparency International as of 2007-09-21

Context: Endowed with natural resources, Ghana is a well-managed, stable, multiparty democracy, with a strong record in poverty reduction and one of the best-performing economies in Africa. Inflation declined from 21 per cent in 2001 to about 10 per cent in early 2007. By improving policies and institutions and investing in infrastructure and basic services, poverty levels have plummeted over the past 15 years. According to Ghana Living Standard Surveys, the percentage of people living below the national poverty line dropped from 51.7 per cent in 1991-2002 to 28.5 per cent in 2005-2006. The country is expected to surpass the MDG target of halving poverty rates by 2015. Elimination of basic school fees and a school feeding program helped to increase national gross primary enrolment to 90.7 per cent in 2006-2007 from 86.3 per cent in 2005-2006. The main challenges facing Ghana are to accelerate current economic growth and share the benefits of growth more equitably.

Key Poverty Indicators

	[illegible]	[illegible]
% of population living with less than $1 per day	47 (1992)	45 (1998)
Mortality of children under five per 1,000 live births	122 (1980)	112 (2005)
% of children enrolled in primary education	54 (1991)	69 (2006)
% of seats held by women in national parliament	9 (1988)	11 (2006)
% of population with access to improved drinking water	55 (1990)	75 (2004)
% of malnourished children under five years of age	27 (1994)	22 (2003)
Maternal mortality ratio per 100,000 live births	740 (1980)	540 (2000)

Sources: World Bank, World Development Indicators (WDI) Online and UNStats, 2007-09-21

Canadian Development Assistance to Ghana

Ghana is one of Canada's countries of concentration. Canada has provided assistance to the country since 1957, most recently contributing to sustainable development and poverty reduction through projects in democratic governance and basic human needs.

Commitment to Aid Effectiveness

Canada's support to Ghana is informed by the Ghana Joint Assistance Strategy, 2007-2010, and Ghana's Growth and Poverty Reduction Strategy (2006-2009). In accordance with aid effectiveness principles, Canada has supported Ghana's increasing ownership of its development process, and has strongly aligned its aid to national priorities, strengthened and used country public financial management systems for aid projects, and coordinated closely with other donors seeking to strengthen local systems of planning, budgeting, control and oversight.

To work more closely with other donors and local authorities, CIDA's program in Ghana is highly

decentralized. The Director of the program is stationed in the field and is also the Head of Aid, along with a deputy director, a senior program analyst, and a development officer. There are a number of locally engaged staff, Canadian cooperants and local advisors, including sector specialists in democratic governance, public financial management, environment, gender equality, and agriculture. In headquarters, there is a deputy director/program manager, one senior program analyst, and four senior and intermediate development officers. These staff members and locally engaged personnel enable the Agency to participate in a wide range of donor groups coordinating aid policies and programs.

Focusing on Results

CIDA's program in Ghana focuses on democratic governance and basic human needs, chiefly food security/agriculture, and water and sanitation, with attention given to three of the poorest regions in the country – the Upper West, Upper East and Northern Regions.

Democratic Governance – Training and technical assistance has enabled Ghana's Members of Parliament to improve their understanding of their oversight roles and responsibilities in reviewing public policy and spending actions. CIDA support to Ghana's national budget since 2004 has helped the country to dramatically reduce domestic debt while simultaneously increasing spending on services for the poor.

Success Story

Local people often know what approaches work best for their communities. This is a philosophy underpinning a successful partnership between CIDA and the Government of Ghana on the District Wide Assistance Project (DWAP). Since 2004, 34 district administrations in the north of Ghana have used their own planning processes to allocate Canadian funds to local priorities. They have chosen to build primary school blocks, health clinics, boreholes, community police stations and markets – facilities needed to provide poor communities with elementary education, primary health care, potable water, public security and opportunities to improve their livelihoods. An estimated 20,000 people have benefited from 248 initiatives funded through DWAP.

DWAP represents a new way of delivering aid. It allows well performing countries, like Ghana, to identify the priorities that are right for their specific needs. After ensuring that sound planning, procurement and auditing procedures are in place, DWAP allows district authorities to plan and manage their own development programming. This way, more of Canada's aid dollars directly reach Ghanaian communities.

Basic human needs – In food security and agriculture, CIDA contributed over $20 million to the implementation of the Ministry of Food and Agriculture's Food and Agriculture Development Policy. This support contributed to a 6.1 per cent sector growth rate in 2005. CIDA support has also led to the strengthening of district assembly capacities in procurement related to food and agriculture programming. In 2006, 75 communities in 6 districts were supported in implementing 77 food security initiatives.

Water and sanitation – CIDA is a leader on desertification issues in Ghana, and as environment sector co-lead, coordinated and facilitated Government of Ghana and donor support for the environment. CIDA supported the dissemination of a database, which integrated all hydrogeological data for the northern regions, a key tool for planning. As a result of training and awareness raising initiatives, gender issues have been incorporated into most of the districts' medium-term development plans. Continued progress has been noted in the participation of women in water, sanitation boards and community meetings.

CIDA's future programming in Ghana will build on results achieved and lessons learned from the past, including the importance of enhanced coordination with other donors. It will continue to focus on enhancing democratic governance, strengthening food security/agriculture, improving water and sanitation, and ensuring that gender equality and environment issues are integrated throughout its programming. As a risk mitigation measure, the program will track HIV/AIDS issues in Ghana and provide support if the need arises.

Haiti

At a glance…

Population	8.6 M
Area (km2) (2005)	27,750
Population density / km2	314
GNI Per Capita	US$480
Life Expectancy (2005)	53
Aid Per Capita US$ (2005)	60
Human Development Index	154th out of 177
Corruption Perceptions Ranking	163rd out of 163

Unless indicated, all data is from 2006.
Sources: World Bank, World Development Indicators (WDI) On-line and Transparency International, as of 2007-09-21

Context: Despite recent improvement in some socio-economic indicators, Haiti remains a fragile state and the poorest country in the Americas. According to the 2006 global Human Development Report, Haiti ranks 154th out of 177 countries. Its per capita Gross Domestic Product decreased by a third between 1980 and 2005. One third of Haitian households are headed by a woman; this rises to nearly 50 per cent in urban areas. Life expectancy is 53 years and the prevalence of HIV/AIDS is the highest in the region. After many years of political instability, Haiti held free and transparent elections in 2006, which led to the election of President René Préval, the appointment of a legitimate government and the election of parliamentarians and municipal leaders. As a result of the joint efforts of police forces and the United Nations Stabilization Mission in Haiti, the security situation has vastly improved. Therefore, the time is right for the international community, including emerging donors from Latin America, to provide concerted support to the government and people of Haiti. It is in this context that, in July 2006, Canada committed $520 million over five years.

Key Poverty Indicators

	Haiti	World
% of population living with less than $1 a day	n.a.	54 (2001)
Mortality of children under five per 1,000 live births	150 (1990)	120 (2005)
% of children enrolled in primary education	22 (1991)	n.a.
Proportion of seats held by women in national parliament (%)	4 (1997)	2 (2006)
% of population with access to improved drinking water	47 (1990)	54 (2004)
% of malnourished children under five years of age	27 (1990)	17 (2000)
Maternal mortality ratio per 100,00 live births	1000 (1990)	680 (2000)

Sources: World Bank, World Development Indicators (WDI) On-line and UNStats, 2007-09-21

Canadian Development Assistance to Haiti

CIDA has been operating in Haiti since 1968. Canadian ODA has fluctuated according to the country's political and security situation. Since the arrival of the transition government (2004) and in the wake of the election of a legitimate and recognized government in 2006, Canada has significantly increased its aid to Haiti through CIDA and other departments such as DFAIT (START program) and the RCMP. Canada is now the second-largest bilateral donor in Haiti, and the Haiti bilateral program is the second largest in CIDA.

Commitment to Aid Effectiveness

CIDA is focusing on the principles of aid effectiveness in implementing its program in Haiti by, among other things, playing a leading role in applying the principles of engagement in fragile states on the heels of the Paris Declaration. CIDA fully supports the Haitian government's leadership role in its own development process and is dedicating resources to support it in this regard. Canada is also playing a leading role at the donor table to strengthen coordination structures.

To focus its efforts more effectively, CIDA has developed an interim strategy with three pillars: institution building and governance; access to basic services; basic needs and social conciliation.

Focusing on Results

Governance – CIDA supports central government institutions (such as the Office of the President and that of the Prime Minister) through direct technical assistance to strengthen their planning and coordination functions. In the justice sector, CIDA has helped build the capacities of judges and clerks in an effort to improve access to a quality justice system. CIDA has also supported the improvement of living conditions for prisoners.

Access to services - In the health sector, CIDA has built human resources capacities, with 45 graduates from a health services management program. Nearly 33,000 people, including 14,800 women, have been made aware of how to prevent drug abuse, HIV/AIDS, and teenage pregnancy. In education, CIDA has supported the construction or rehabilitation of infrastructure and equipment throughout the country. More than 120 schools have improved their basic education services, affecting over 29,000 students and their families. Finally, some 290,000 students have received a hot meal every school day thanks to Canadian support.

Success Story

Against a backdrop of political uncertainty, CIDA played a leading role in the international community in supporting the holding of free and transparent elections in 2006. CIDA then directly assisted the authorities to ensure an efficient and smooth transition, including support for the preparation of the transition white paper. Finally, Canadian support helped organize the July 2006 international conference where international partners met in support of the priorities of the new government.

Socio-economic improvements – To meet the population's basic urgent needs, CIDA has supported several quick impact initiatives that will have helped create nearly 300,000 days of work and better access to drinking water for 2,400 families. Also, the project in support of savings and credit cooperatives is helping 57 credit unions with 212,630 members, 47 per cent of whom are women. Savings and credit totalled $29.5 million and $261 million respectively on December 31, 2006.

One of the key pieces of the Americas strategy, Canada will remain committed to Haiti in the long term. CIDA will continue to align itself with Haiti's priorities, especially those to be set out in its national growth and poverty reduction strategy paper. CIDA will continue to actively coordinate aid to increase its effectiveness and achieve even longer-lasting results.

Honduras

At a glance...

Population	7.35M
Area (km2) (2005)	112,090
Population density/km2	66
GNI Per Capita	US$1,200
Life Expectancy (2005)	69
Aid Per Capita US$ (2005)	64
Human Development Index	117th out of 177
Corruption Perceptions Ranking	121th out of 163

Unless indicated, all data is from 2006
Sources: World Bank, World Development Indicators (WDI) On-line and Transparency International, as of 2007-09-21

Context: In Honduras, almost 40 per cent of the population lives in poverty. Inequality and lack of economic opportunities are major barriers to poverty reduction: the richest 20 per cent of the population own 58 per cent of the wealth, and the poorest 20 per cent hold only three per cent. Rapid population growth also presents a challenge. In 1970, the population was roughly three million; today it is over 7 million and it is expected to reach 11 million by 2025. The majority of poor households live in rural areas, concentrated in the western part of the country and in areas surrounding the cities. Environmental deterioration, combined with extreme weather conditions such as hurricanes and intense tropical storms, increases the country's vulnerability.

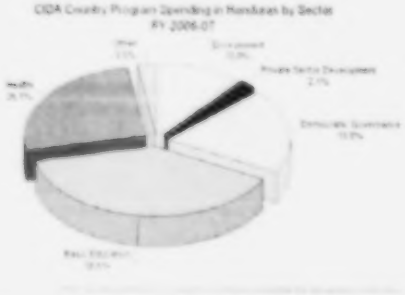
Key Poverty Indicators

	[illegible]	[illegible]
% of population living with less than $1 per day	38 (1990)	15 (2003)
Mortality of children under five per 1,000 live births	59 (1990)	40 (2005)
% of children enrolled in primary education	89 (1990)	91 (2004)
% of seats held by women in national parliament	10 (1990)	23 (2006)
% of population with access to improved drinking water	84 (1990)	87 (2004)
% of malnourished children under five years of age	18 (1992)	17 (2001)
Maternal mortality ratio per 100,000 live births	220 (1990)	110 (2000)

Sources: World Bank, World Development Indicators (WDI) On-line and UNStats, 2007-09-21

Canadian Development Assistance to Honduras

Canada's aid to Honduras dates back to 1969. It is characterized by steady annual investments, with a peak in the late 1990s following the devastation of Hurricane Mitch.



Commitment to Aid Effectiveness

CIDA's approach in Honduras reflects the Agency's commitment to aid effectiveness and responds to the needs of Honduras. This includes, among other things, active policy dialogue, promoting ownership and commitment with the Government of Honduras, engaging at national, regional and local levels, and working with a variety of partners and channels of investment. The Agency's investments are aligned directly with the Honduras Poverty Reduction Strategy.

Canada has played an active leadership role in supporting the donor coordination group (the G-16) to promote harmonization and alignment and is acknowledged for having increased civil society's role in policy dialogue, accountability and transparency.

Focusing on Results

CIDA's bilateral program in Honduras strives to support the increased achievement of Honduras' MDGs in education, environment and health.

Education – Canada has played an instrumental role among donors with its technical expertise and experience in education and PBAs to support improved governance of the education sector through a Pooled Fund for Education for All. Specific results in 2006-2007 include the development of a pilot Pedagogical Competencies Program of training program for the region of La Paz. Canada supported the printing of approximately 34,000 copies of the training program that have been distributed in Spanish and English.

Environment – CIDA's Honduras program has a long history of successful environmental initiatives. Recent focus on integrated water resource management has promoted a holistic perspective on water, keeping in mind the need for environmental, social and economic sustainability. To date, nine micro watersheds in Jutigalpa received protection status through the *PRO-MESAS Water and Sanitation Fund*. This significantly improves access to potable water in that area. In the community of San Juan, potable water systems are now in place for a total of 240 families and a local committee maintains the equipment and the quality of the water.

Success Story

CARE Canada's Sustainable Rural Water Supply and Sanitation Project has provided water systems, latrines, basic hygiene education, and training to over 40,000 people in 81 communities since its inception. The project has won international awards for its inclusive and sustainable design in which local communities – with an emphasis on women – were trained in the administration, financial management, operation, and maintenance of the water system, and the protection of the micro-watershed. This training was a key measure to ensure the sustainability of the systems. Local people were then able to manage and maintain the system without calling on outside expertise. Participants now report that their general health is much improved and that there is a significantly lower incidence of diarrhea and malaria.

Health – CIDA has contributed to reducing incidence of illness and increasing health at the community-level through investments in sexual and reproductive health, public health and addressing Chagas disease. To date, more than 20,000 infested homes (approx. 140,000 individuals) were sprayed against Chagas in 383 communities; over 20,000 school children were examined, of which 1,200 are now being treated. CIDA expects that the reduction in incidence of this major disease will reduce service costs for the public health system and increase the participation of the treated population in productive activities.

CIDA's future programming in Honduras will focus on governance for accountable institutions in education, environment and health with gender equality integrated throughout. CIDA's strategy in Honduras will build on results and accomplishments of the past, manage risk and target niche sectors of expertise where Canada has made, and continues to make, a difference.

Vietnam

At a glance...

Population	84 M
Area (km2) (2005)	329,000
Population density/km2	271
GNI Per Capita	US$690
Life Expectancy (2005)	71
Aid Per Capita US$ (2005)	23
Human Development Index	109th out of 177
Corruption Perceptions Ranking	111th out of 163

Unless indicated, all data is from 2006.
Sources: World Bank, World Development Indicators (WDI) On-line and Transparency International, as of 2007-09-21

Context: One of the most dynamic economies in Southeast Asia today, Vietnam has been transforming itself from a planned to a market economy since the late 1980s. Despite marked economic progress, access to political rights have been slower to emerge. Thus, opportunities remain for CIDA to contribute effectively in areas such as increasing government accountability and transparency. Also, Vietnam is faced with a rapidly expanding labour force, over a million new jobs are required annually, and, at the same time, economic production is becoming more technologically sophisticated. Ensuring that labour markets can accommodate these two forces is an important challenge for the Vietnamese government. Finally, poverty and social indicators among ethnic minority populations continue to lag behind the majority Kinh population. More targeted government programming will be needed to limit the gap between rich and poor.

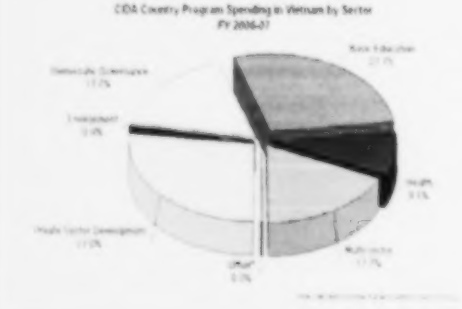
Key Poverty Indicators

	[illegible]	[illegible]
% of population living with less than $1 per day	n.a.	n.a.
Mortality of children under five per 1,000 live births	53 (1990)	19 (2005)
% of children enrolled in primary education	90 (1991)	88 (2005)
% of seats held by women in national parliament	18 (1990)	27 (2006)
% of population with access to improved drinking water	65 (1990)	85 (2004)
% of malnourished children under five years of age	41 (1993)	28 (2003)
Maternal mortality ratio per 100,000 live births	160 (1990)	130 (2000)

Sources: World Bank, World Development Indicators (WDI) On-line and UNStats, 2007-09-21

Canadian Development Assistance to Vietnam

Since 1990, Canada has provided ODA to Vietnam in support of its reform and poverty reduction objectives.



Commitment to Aid Effectiveness

Vietnam's Socio-Economic Development Plan and the Hanoi Core Statement, a joint donor-Government of Vietnam harmonization and coordination strategy and monitoring tool for aid effectiveness, guide CIDA's programming in Vietnam. According to the 2006 Paris Declaration Monitoring Survey, 82 per cent of Canadian aid to government sectors in 2005 was aligned with Vietnamese priorities; 51 per cent of this aid used Vietnamese procurement and financial systems; and 48 per cent of all Canadian bilateral investments were program-based.

Focusing on Results

CIDA's bilateral program in Vietnam focuses on three priority sectors: democratic governance, private sector and rural development; and basic education.

Democratic Governance – Canadian expertise has played a key role in helping Vietnam to reform its justice system and strengthen government accountability. Vietnamese officials from the Supreme People's Court and the Ministry of Justice are learning from Canadian court administrative procedures to further their Judicial Reform Strategy. Canada also enabled the Government of Vietnam to enhance its public financial management through the development of new regulations on financial disclosure of all state budget entities, implementation of a public expenditure review to better integrate capital and recurrent budgets, and the transformation of the State Audit of Vietnam into an independent agency of the National Assembly.

Private sector and rural development – CIDA's financing of the Mekong Private Sector Development Facility has supported the development of the internationally-recognized "Business Edge" management training program, which provides half of its training to business people from smaller centres and provinces. CIDA support to the UN's Avian Influenza and Control Program contributed to vaccination campaigns being carried out in 47 targeted provinces (total of 59 provinces). In mountainous districts in Thanh Hoa province, CIDA provided credit and agriculture extension services to 33,000 Households which resulted in a significant reduction in the number of poor people (58 percent) and an overall increase in food crop production (10 percent).

Success Story

CIDA helped to integrate gender equality issues into Vietnam's national development plan, made substantial contributions to a newly promulgated Gender Equality Law and supported an upcoming Law on Domestic Violence. The Agency also helped integrate gender considerations into other sectors, such as the environment. CIDA-financed training of women in industrial pollution management (IPM) practices has led to gender balance being established among staff in targeted provincial Environmental Management Departments and increased advocacy from within the Women's Union for better IPM.

Basic education – CIDA is supporting the incorporation of minimum standards for primary education into national educational policy. Working with the Government of Vietnam and other donors, CIDA is playing a leadership role in supporting Vietnam's EFA National Plan of Action, through a project to strengthen national and local capacity to plan, implement, monitor and evaluate improvements in quality, equality of access, targeting of resources and co-ordination of primary education services.

Future programming in Vietnam will include initiatives designed to support the implementation of Socio-Economic Development plans in three provinces. The Vietnam Program will also look to scale up previous technical and vocational training and environmental governance programming, by broadening the scope of new projects to include national level policy reforms and/or additional provinces. In the democratic governance sector, the Vietnam Program is responding to a proposal from the Government of Vietnam to continue providing Canadian expertise in support of Vietnam's legal and judicial reform agenda.

Egypt

At a glance...

Population	75 M
Area (km2) (2005)	1,001
Population density/km2	76
GNI Per Capita	US$1,350
Life Expectancy (2005)	71
Aid Per Capita US$ (2005)	13
Human Development Index	111th out of 177
Corruption Perceptions Ranking	70th out of 163

Unless indicated, all data is from 2006. Sources: World Bank, World Development Indicators (WDI) On-line and Transparency International, as of 2007-09-21

Context: Egypt plays an influential role in the Middle East and North Africa and is a key partner for Canada, including in the area of development cooperation. The UNDP has reported that Egypt is on track to achieve all MDG targets by 2015. There has been sustained progress in areas such as child mortality, maternal health, water and sanitation. Despite economic progress, Egypt still faces numerous developmental challenges including: a large population, roughly half of which is under the age of 20, placing severe demands on the labour market and education system; an unequal distribution of income and wealth; and regional and gender disparities with respect to poverty, as well as environmental degradation.

Key Poverty Indicators

	Previous	Most Recent
% of population living with less than $1 per day	4 (1991)	3 (2000)
Mortality of children under five per 1,000 live births	104 (1990)	36 (2004)
% of children enrolled in primary education	84 (1991)	94 (2006)
% of seats held by women in national parliament	4 (1990)	2 (2006)
% of population with access to improved drinking water	94 (1990)	98 (2004)
% of malnourished children under five years of age	10 (1990)	9 (2003)
Maternal mortality ratio per 100,000 live births	170 (1990)	84 (2000)

Sources: World Bank, World Development Indicators (WDI) On-line and UNStats, 2007-09-21

Canadian Development Assistance to Egypt

Canada has provided ODA to Egypt since 1976, concentrating over the years on sectors such as agriculture, energy, private sector development, education, economic reform and environmental sustainability. The focus is now on basic education and private sector development.

Commitment to Aid Effectiveness

CIDA, in particular through the personnel in the field, has been very active in promoting policy dialogue, encouraging more local ownership as well as improved donor coordination and harmonization. For example, as Chair of the Donor Sub-group on Small and Medium Size Enterprises (SMEs) for the past five years, CIDA has played a significant role in improving donor coordination, cooperation and more effective dialogue between donors and the Government of Egypt.

The combination of project and non-project activities has given Canada the opportunity to share Canadian experience in governance and policy implementation with Egypt in support of important sectors such as SME development.

Focusing on results

CIDA aims to support Egypt's efforts to address its development challenges and reduce poverty, in particular among women and children/youth, by focusing on basic education and private sector development. Governance, including institutional capacity strengthening and child rights, is another important programming theme as is the environment. Equality between women and men is also a focus: All projects incorporate results on equality between women and men and all medium to large projects have a gender equality focal point to promote equality within the individual projects.

Basic education: Canada has played a major role in helping Egypt to increase enrolment and retention of children, reduce gender disparities, improve the quality of education in Egyptian schools and enhance the employability of students entering the workforce through such projects as the *Egyptian Primary Schools Project*, known as STEPS I (see box). New CIDA-supported initiatives launched in 2006-2007 will address the issues of early childhood education and adult literacy. CIDA is also participating, through pooled funding, with other donors in supporting the efforts of the Government of Egypt to develop a national strategic plan in the education sector.

Success Story

STEPS I focused on the community level to introduce innovative student-centered learning approaches in 227 schools serving almost 6,000 children (75 per cent girls) in the most disadvantaged areas of Upper Egypt. Consultations were held with the Ministry of Education, civil society organizations and the communities on the sustainability of the schools and 895 members of education committees were trained to expand and sustain these schools.

This community school model is now being replicated with support coming from the Ministry of Education and the communities themselves.

Private sector development: CIDA has helped 34 partners throughout Egypt to develop and offer a variety of non-financial services to SMEs in areas such as taxation, legal support, e-commerce, business incubation, exporting, and support for women in the workforce. CIDA has also supported the Government of Egypt in the development and implementation of policies, legislation and regulations to promote SME development, and the Egyptian Ministry of Manpower has replicated a CIDA-supported model in which employment centres match job seekers with employers.

CIDA's future programming in Egypt will continue to concentrate on two sectors, basic education and private sector development particularly for small and medium enterprises. These two sectors are expected to account for close to 85 per cent of investments by the Egypt Program by 2010-11. The sectors of concentration are very relevant to the development challenges facing Egypt.

Pakistan

An independent evaluation of CIDA's Pakistan Program was conducted to review its performance between 2001 and 2006. CIDA's Program in Pakistan has three core objectives: promoting democratic local governance; improving social services in education and health; and advancing equality between women and men. The Program has an annual allocation of $20 million; disbursements for 2005-2006 were $21.9 million. As of March 2005, there were 36 bilateral projects being implemented with a total value of $253 million.

Relevance: The evaluation found that the programs/projects reviewed contributed to one or more of the three key program objectives. The projects and sub-programs were consistent with Pakistan national development priorities, and well aligned with CIDA's objectives, especially that of promoting equality between women and men.

Results Achieved: CIDA-supported programs/projects judged to be managed for results and results-based management is generally well integrated into projects. There is ample evidence that the Program is achieving significant positive results in all three-priority sectors. Some projects were very impressive; others were more mixed.

The evaluation presents details of the assessment of sample projects and identifies both positive and negative factors affecting results. It states that, with reference to equality between women and men, results have been particularly impressive for those projects with a direct equality focus, and that long and persistent investment in equality between women and men by CIDA is one key to success. CIDA is a leader among donors in equality programming in Pakistan, providing significant value for money with a relatively small budget.

Sustainability and Capacity Development: The Pakistan Program has been entrepreneurial in finding opportunities to create or support civil society organizations in a difficult environment. A large number of organizations supported by the Program have become important activists for community mobilization, poverty reduction, and the rights of women. Many of these have become more sustainable over time by developing workable funding models or by diversifying their donor base.

Program Effectiveness: The Program has been hampered in the past by its complexity, lack of geographic focus, wide range of project implementation modalities, and layered administration, as well as complicated management and monitoring arrangements. As new programming opportunities arise, these constraints are being addressed, leading to improved program effectiveness.

The Program has shown a consistent willingness to take reasonable risks and be innovative - with particular reference to equality and governance programming and donor coordination. Internal performance reviews led to decisions being taken to focus on fewer larger projects, explore opportunities to coordinate with other donors, find delivery channels less vulnerable to security disruptions, and strengthen the Program Support Unit. Significant progress has been made on all four fronts.

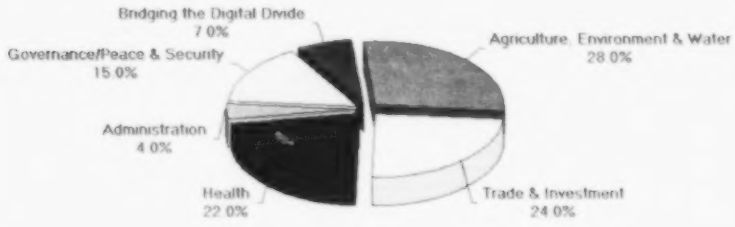
Recommendations: The evaluation recommends retaining the basic structure and focus of the current Pakistan Program with its three core objectives. It also offers a number of suggestions for improving areas such as the program's structure and focus, capacity development and institution building, and program and project management effectiveness.

Next Steps: The Pakistan Program agreed with all the recommendations of the evaluation. A process is underway to develop a new programming strategy, which will incorporate the recommendations and lessons from the evaluation.

Canada Fund for Africa

The $500-million Canada Fund for Africa (CFA) was established to respond to the New Partnership for Africa's Development (NEPAD) - a made-in-Africa plan to put the continent on a path of sustainable growth and development - and the G8 Africa Action Plan. The CFA is a time-bound initiative designed to play a key catalytic role in promoting African leadership and attracting significant new investments in Africa; it is scheduled to end on March 31, 2008. CIDA's corporate Evaluation Division will conduct an evaluation of the CFA in 2008 in order to document successes and lessons. The CFA's objectives are to: enhance African capacity to achieve their own development goals; strengthen institutions and democratic governance in Africa; and foster innovation and economic growth in Africa. The CFA has 32 distinct initiatives, divided between five sectors, and an allocation for administration, as highlighted in the following chart:

Canada Fund for Africa: Allocations for Iniatives of the Fund
FY 2006-07



Selected Results for 2006-2007

- Establishment of women's caucuses in national associations of municipalities and local authorities in Ghana, Mali, and Tanzania;
- Promotion of anticorruption and open government legislation in 18 African member countries through the African Parliamentarians Network Against Corruption;
- Development of Tanzania's Assistance Strategy, Ghana's annual Macroeconomic Review and Outlook, and Uganda's Vision 2025, as a result of support to the African Capacity Building Foundation;
- Over $90 million, through the Canada Investment Fund for Africa, invested in 13 companies and 2 private sector funds in Africa;
- 97 entrepreneurs report a net increase of 388 new jobs within their businesses since joining Enablis South Africa, which provides technical support to SMEs;
- 33 per cent increase in student enrolment in selected communities in the DRC; 400 young girls trained in the areas of tailoring, baking, and hairdressing in Northern Uganda; and 30 young Burundian women trained as paralegals;
- Approximately $70 million leveraged by the CFA's initial support of $20 million to the African Water Facility.

2.2 Canadian Partnership

Financial Resources

Planned spending	Authorities	Actual spending
$279,608,000	$289,250,421	$273,413,338

Human Resources

Planned	Actual
189	203

The responsive nature of Canadian Partnership programming is a critical asset for leveraging additional resources for development, engaging Canadians in Canada's international efforts and building domestic understanding of and support for Canada's international development and humanitarian assistance programs. While remaining true to its responsive nature, the Canadian Partnership program has benefited from a number of initiatives aimed at enhancing its programming in line with Canada's commitments to aid effectiveness.

Overall, in 2006-2007, Partnership programming supported over 600 Canadian civil society and private sector organizations, as well as international civil society groups. These include NGOs, educational and training institutions, professional associations, provincial and regional councils for international cooperation, unions, businesses, cooperatives, and volunteer cooperation agencies representing about 2,500 individual volunteers.

Selected Results

- A joint venture between R.W. Evans Research Corp. and Skyweb Technologies of Nairobi has led to an international call centre employing 41 people, mainly women; of the five senior personnel, three are women, including the managing director, who was recognized as Kenyan Entrepreneur of the Year.
- The Canadian Co-operative Association has helped the Nicaraguan co-operatives to export black beans to Costa Rica and El Salvador for the first time, with an income increase of 222 per cent.
- In Uganda, a program by the Society of Obstetricians and Gynaecologists of Canada saw the development of an MA program in "Safe Motherhood" at a local university, as well as the creation of a professional association of obstetricians and gynaecologists which boasts a membership of 30 medical doctor volunteers, one third of whom are women.
- The Mennonite Economic Development Association (MEDA) worked through the MEDA Trade Company to promote the use of insecticide treated mosquito nets in Uganda. Business partners of this initiative credited the CIDA project for assisting them to sell more than 500,000 bednets since 2000, saving thousands of lives that would otherwise be lost to malaria. This project led to the design and implementation of a similar but much larger project in Tanzania.

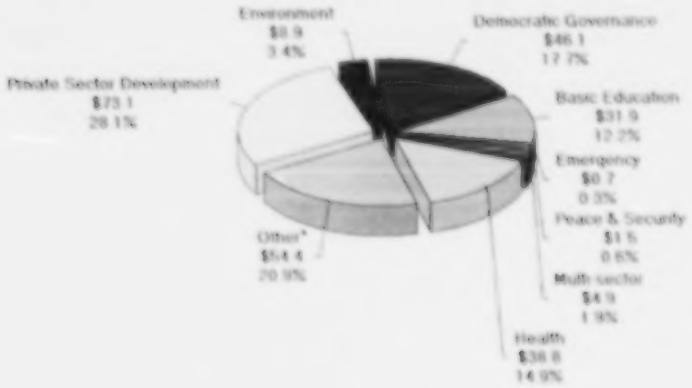
2.2.1 Strategic Focus

In terms of strategic focus, trends show that the number and placement of African countries as top recipients of partnership programming have increased considerably in the past five years. In 2002-2003, only four African countries were among the top 15; by 2006-2007, that number increased to seven, of which three are in the top six: Mali, Burkina Faso and Ghana.

At the same time, countries that had traditional bilateral relationships with CIDA – Thailand, Malaysia and several Eastern European countries – are no longer eligible for assistance through the partnership channel. In addition, as Canada's commercial relationships with China, Mexico and Russia has matured, these countries are no longer eligible for funding under CIDA's Industrial Cooperation Program.

CIDA's support to voluntary and private sector partners is a reflection of their ability to contribute to the MDGs. 80 per cent of Canadian Partnership programming is within CIDA's sectors of focus, and all programs and projects integrate the Agency's equality between women and men objectives, as illustrated below:

Canadian Partnership Branch (CPB) Aid Disbursements by Sector of Focus ($M)
FY 2006-07



Total: $260.3

*Other ($54.4M) includes activities such as public engagement, higher education, as well as some funding for non-classified and non-attributable activities.

2.2.2 Strengthened Program Delivery

Over the past two years, CIDA has worked closely with its Canadian partners to review results and identify areas where improvements can be made in the way that CIDA co-invests with Canadian partners. In the context of this review and renewal of partnership programming, several cross-Canada consultations were held on policy and operational issues. Ongoing dialogue with

key umbrella groups included a major event with the Canadian Council for International Cooperation and its 94 members and southern NGOs on "Effective Partnerships for Development Results", as well as CIDA's 2006 International Cooperation Days, attended by over 1,800 stakeholders. These events, coupled with the Ministerial Expert Panel on Partnership Programming that guide the overall review and renewal process, have contributed to the re-establishment of trust and dialogue between CIDA and its civil society. Canadian, as well as southern, NGOs were represented on the Expert Panel.

In addition, the Agency, in close collaboration with Canadian civil society, is chairing the international Advisory Group on Civil Society and Aid Effectiveness to recognize and advance the contributions of civil society to aid effectiveness in the lead-up to the Accra High Level Forum in September 2008.

Progress was made in enhancing efficiency, accountability and transparency:

- The new Voluntary Sector Fund ($20 million per year) launched in June 2006. It was developed based on input from more than 200 Canadian stakeholders and designed to support development projects that strive to reduce poverty and promote human rights as well as promote the principles of aid effectiveness. By the end of the fiscal year, 12 projects had already been approved, totalling over $4 million, and response times were reduced from 8-10 months down to less than four months.

- Following this launch, CIDA developed, in collaboration with the seven provincial/regional councils for international cooperation, a capacity development workshop for Canadian organizations. One goal of the workshop was to increase accountability and provide partner organizations with training in areas such as results-based management, reporting, equality between women and men and environmental sustainability. Since October 2006, workshops have been offered across the country to participants from 178 organizations.

CIDA's partnership programming places significant emphasis on the quality of the partnership established between Canadian and developing-country organizations. CIDA asks Canadian partners to demonstrate that their proposed initiatives contribute to building the capacity of their southern partners and meet locally identified needs. The active participation of southern partners in design and implementation are among the factors considered in choosing initiatives to be supported by CIDA.

2.2.3 Effective Use of Agency Resources and Clear Accountability for Results

The review of partnership programming revealed both internal and external concerns over the cost-effectiveness of certain aspects of the responsive programming[13] process. As a result, CIDA undertook to redesign this business model in April 2006. The Harmonization of Operations for Partnership Effectiveness (HOPE) approach aims to enhance the quality of service while reducing the proposal processing time by half. Key elements identified by the HOPE initiative for an efficient operation include the adoption of a single gateway, clear guidelines, team assessment, ongoing processing of applications on a "first come, first served" basis, and timely feedback to partners on project approval.

In February and March 2007, the HOPE model was presented to 280 partners in a series of outreach events held across Canada. Feedback has been positive. More work is being done to bring HOPE to fruition, including the development of an e-business approach to facilitate online application.

The review and renewal of partnership programming contributed to efficiency and accountability in several other ways. The new approach for the voluntary sector, together with the launch of the new Voluntary Sector Fund, allowed for changes leading to more effective use of Agency resources. By investing in a capacity building initiative for Canadian partners, and by developing a policy on strengthening southern civil society, CIDA set the stage for better defined programming accountabilities. On the international scene, CIDA is taking on a leadership role to ensure that the aid effectiveness agenda recognizes the critical role of civil society in development.

An overview is provided, in the following page, on the evolution of volunteering cooperation.

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[13] Programming is responsive when CIDA agrees to support development initiatives, conceived by a proponent, which are consistent with the goals and objectives of CIDA's programs

Volunteer Cooperation Today: A World of Difference

International volunteers help improve the lives of people and their communities in developing countries by working with and strengthening Southern social and economic development organizations. These unpaid individuals contribute their time, expertise and experience to global sustainable human development. Upon their return, they also play a part in raising awareness of international development issues in their home country.

For close to four decades, CIDA has been supporting the work of volunteer cooperation agencies. CIDA's support has grown from approximately $22 million for seven agencies in 1980 to $50.7 million in 2006-2007 for ten agencies.

The 2005 review of CIDA's Volunteer Cooperation Program revealed a significant programming evolution since the 1960s. Volunteer cooperation has branched out beyond sending individual Northern volunteers to Southern organizations for fixed time periods, thereby to forging longer-term associations with developing country counterparts. Canadians remain involved, but in the context of more strategic placements aimed at achieving sustained results long after volunteers have returned to Canada.

One example of this new approach is the National Volunteering Program developed over the last five years by the international organization Voluntary Service Overseas (VSO), whose Canadian partner, VSO Canada, receives CIDA support. Through VSO's international network of national partners and local offices, Southern organizations get the support they need to develop and manage national or local volunteer programs that respond to their priorities. This is the case in Ghana, where a Canadian volunteer, placed in partnership with the Federation of Canadian Municipalities and the National Association of Local Authorities of Ghana, is helping to develop "community engagement" strategies with six local District Assemblies.

While South-South and in-country volunteering are on the rise, some 2,500 Canadian volunteers from all walks of life shared their talents and expertise abroad last year, in a variety of sectors.

For example, the Uniterra consortium of WUSC and CECI sent a young Canadian woman to Bolivia to support community health initiatives in a remote Andean village. She was able to work with the community and the local midwife to set up a traditional birthing room in the clinic, where mothers can also benefit from medical care in case of complications. The number of safely assisted births has since doubled in the community.

CESO, another volunteer cooperation agency, specializes in the placement of senior executives with considerable experience, and has been a long-time partner of the Municipality of Santa Rosa de Copan, in Honduras. Over the years, several CESO volunteers have been sent at the request of the municipality to improve the quality and quantity of potable water supplied to local residents. As a result of CESO's continuous support, a 50 per cent decrease in cases of waterborne diseases has been recorded.

2.3 Multilateral Programs

Financial Resources

Planned spending	Authorities	Actual spending
$1,045,710,000	$1,110,543,587	$1,084,080,278

Human Resources

Planned	Actual
137	164

Canada uses the multilateral system as a critical element of global governance and as an effective way of dealing with challenges that are global in scope. CIDA provides core funding to multilateral and international organizations whose mandates, objectives and capacities to deliver development initiatives are consistent with Government of Canada objectives and priorities. Furthermore, Canada's commitment to the provision of humanitarian assistance – where the need to save lives and alleviate suffering exceeds the abilities of affected countries to respond – is primarily fulfilled by support to multilateral and international humanitarian organizations, as well as trusted Canadian partners.

In order to contribute to the achievement of the MDGs, CIDA seeks to promote effectiveness and improve the policies and practices of multilateral organizations and institutions to maximize the results of their programs and operations. As a member of multilateral organizations, Canada exercises influence on the governing bodies of these organizations, often surpassing what might be indicated by Canada's financial contribution.

Health - some major results with multilateral partners

- According to estimates by UNICEF, Canada's support for the delivery of Vitamin A supplements saved more than 2.1 million lives between 1998 and 2005.
- In large part due to the efforts of the Measles Partnership for Africa (managed by UNICEF, with CIDA as a leading donor), over two hundred million children have been vaccinated against measles and one million lives have been saved in Africa since 1999.
- Since 1988, Canada has contributed approximately $200 million to fight polio (including a $45M contribution in 2006), primarily through the Global Polio Eradication Initiative (GPEI). Canada is currently the seventh-largest donor overall to the GPEI. As a result of polio eradication activities, approximately two billion children have been immunized against polio since 2000, and polio is now endemic in only four countries: Afghanistan, India, Nigeria, and Pakistan.
- CIDA was the largest donor to the WHO's "3 by 5" initiative, which aimed to increase the number of people in developing countries able to access HIV treatment. Between December 2003 and December 2005, approximately one million more people in Africa and Asia gained access to drug therapy for HIV/AIDS, an increase of approximately 200 percent.

2.3.1 Strategic Focus

During 2006-2007, CIDA continued to rely on the universal reach of the multilateral system, thereby contributing to development results across a wide range of developing countries, including countries in which CIDA has no bilateral programs. CIDA's multilateral programs placed considerable emphasis on health, while also contributing to education, private sector development, democratic governance, the environment, and equality between women and men. Although different organizations emphasize different themes in their work, institutional strengthening for aid effectiveness remains a consistent focus of CIDA's relationships with multilateral and international partners.

For example, during 2006-2007, Canada contributed actively to discussions about reforming the UN. These resulted in a report entitled "Delivering as One", which contains a number of recommendations for improving the ability of the UN to effectively fulfill its role and respond to current development challenges. In particular, the report observed that operational incoherence between UN funds, agencies and programs is most evident at a country level, and therefore recommended piloting a "One United Nations" approach to country programs. Also, in order to strengthen the UN's role in promoting gender equality, the report proposed a renewal of the UN's "gender architecture", including the creation of a new Under-Secretary-General level position. Official responses to the report are expected from Canada and other governments during 2007-2008.

Democratic Governance

CIDA continued to support democratic governance and human rights through its regular contributions to a wide range of organizations, including the Office of the UN High Commissioner for Human Rights, the UNDP, the Commonwealth and La Francophonie.

For example, in the 2006 election in the Democratic Republic of the Congo (DRC), the UNDP worked closely with the UN Mission in the DRC to support the newly created Independent Electoral Commission. Together, they steered the largest and most complex UN electoral assistance mission ever undertaken. The election, with an 80 percent participation rate, was a major accomplishment in a country suffering from the consequences of civil war, and where democratic elections had not been held in more than 40 years.

Private Sector Development

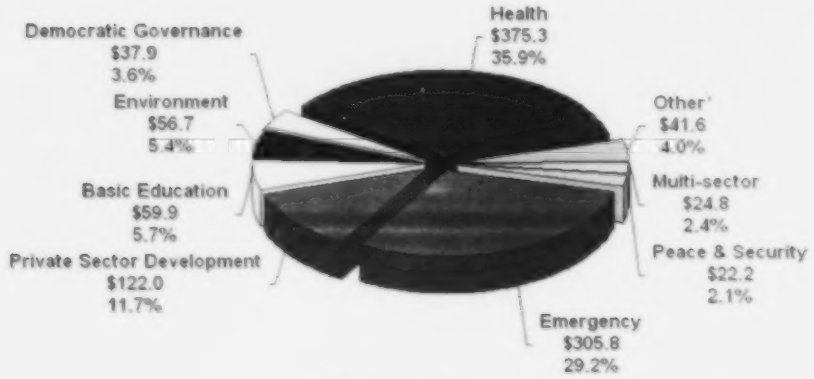
CIDA's multilateral program contributes to private sector development primarily through the Regional Development Banks (such as the African Development Bank, which received core funding of almost $89 million from CIDA in 2006). CIDA directly participates in the governance of the Banks by advising the Canadian Executive Directors who sit on the Banks' Boards of Directors. CIDA works through the regional development banks to strengthen economic infrastructure, such as transportation, energy and telecommunications in developing countries. For example: in 2006, the African Development Bank sought to promote economic growth

through initiatives such as loan guarantees to the private sector and the development of programs to ease access to investment financing by SMEs; and, by 2006, a loan from the Asian Development Bank to Afghanistan's leading wireless telecommunications company had enabled dramatic growth in its subscriber base and network coverage, thereby contributing to employment opportunities (including opportunities for women) and to tax revenues for the Government of Afghanistan.

Equality between Women and Men

Although equality between women and men forms a component of all of CIDA's multilateral core funding and policy dialogue – including advocating for the mainstreaming of equality considerations whenever possible – some UN agencies focus on gender equality as part of their mandate. Notably, in 2006, CIDA continued to provide approximately $17.4 million in annual core funding to the United Nations Funds for Population Activities (UNFPA), which works to ensure universal access to reproductive health, including family planning and sexual health. In 2006, the UNFPA helped to overcome reproductive health commodity shortages in more than 60 countries, supported national efforts to undertake country-level discussions relating to universal access to HIV prevention, treatment, care and support with governments, civil society, the private sector and development partners in more than 100 countries, and undertook policy dialogue and programming to prevent and address violence against women and girls.

Multilateral Branch Aid Disbursements by Sector of Focus ($M)
FY 2006-07



Total: $1,046.3

*Other ($41.6M) includes activities such as higher education, energy and construction, as well as some funding to civil society that are in addition to highlighted priorities.

Humanitarian Assistance

CIDA's primary response to crises is financial support to organizations that make up the international humanitarian system. These organizations ensure that the basic human needs of people affected by disasters and conflicts – such as physical security, food, water, health care, and shelter – are met.

In order to save lives and alleviate the suffering of crisis-affected populations, CIDA provided funding to multilateral, international and Canadian organizations in response to the following prominent rapid-onset emergencies in 2006-2007: the May 2006 earthquake in Indonesia; internally displaced persons due to civil strife in East Timor in mid-2006; the mid-2006 conflict in Lebanon; flooding in the Horn of Africa in late 2006; the December 2006 typhoon in the Philippines; flooding in Bolivia in February 2007; and the cyclone and flooding in Mozambique and Madagascar in March 2007. In total, CIDA contributed approximately $17 million to these crises, thereby enabling humanitarian assistance organizations to respond to the needs of affected populations. These responses included the provision of drinking water, hygiene and sanitation services, primary health care services, health surveillance services, logistical and transportation support, emergency and transition shelter, emergency food aid, essential non-food items (such as soap, clothing and cooking utensils), and temporary learning spaces for children.

2.3.2 Strengthened Program Delivery

CIDA made progress during 2006-2007 on the development of a framework to assess multilateral organizations' effectiveness and relevance[14]. This framework is intended to inform decision-making about CIDA's strategies for improving the management capacities of its multilateral partners, as well as CIDA's allocation of resources to individual organizations. CIDA expects to adjust this framework once further refinement, testing, and validation have taken place – including discussions with other donor agencies about the possibility of a harmonized approach to assessing multilateral organizations.

Based on the framework to assess multilateral organizations' effectiveness and relevance, CIDA undertook assessments of key organizations that receive core funding. For example, the assessment of the WFP, produced in 2006-2007, demonstrated that, partly as a result of concerted and continuous CIDA efforts, including interventions at executive board meetings, WFP has taken on nutrition and results-based management as key institutional priorities. Given the nature of WFP's work, CIDA has been encouraging WFP's focus on emergency needs assessments. Canada has joined WFP's Strengthen Emergency Needs Assessment Capacity initiative, which will help to reinforce WFP's capacity to assess humanitarian needs in the food sector during emergencies through more accurate and impartial needs assessments.

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[14] In this context, "effectiveness" is understood in terms of an organization's contribution to development results, as well as its management capacity. "Relevance" is understood in terms of an organization's contribution to the MDGs and its reflection of Canadian values and interests.

This framework complements CIDA's continuing efforts to improve the effectiveness of multilateral partners through audits, evaluations, and the exercise of due diligence, through surveys of CIDA's field staff about the effectiveness of multilateral organizations within individual countries, and through CIDA's engagement with the multi-donor working group called the Multilateral Organizations Performance Assessment Network (MOPAN) – which is a key stakeholder group in discussions about multilateral effectiveness.

CIDA collaborates with other donors to strengthen multilateral organizations. For example, CIDA chaired a multi-donor "peer review" of the evaluation function at the UNICEF. The review – published in 2006 – concluded that, on the whole, UNICEF's evaluation is independent, credible, and useful for learning and accountability purposes. Furthermore, in 2006, the heads of the development agencies of Canada, Sweden and the United Kingdom agreed upon a Joint Institutional Approach (JIA) that focuses on supporting priority areas of work for UNICEF. The JIA is expected to strengthen UNICEF's performance in important areas, such as the human rights-based approach to programming, gender equality, humanitarian capacity, results-based management, evaluation, human resource management and UN reform. The three donors will track performance against JIA indicators and will conduct joint reviews at regular intervals to monitor progress.

CIDA's efforts to improve the effectiveness of donor responses to humanitarian crises continued during 2006-2007, primarily through its participation in the Good Humanitarian Donorship (GHD) initiative. Highlights of recent progress include: formal endorsement of the GHD principles and practices by the OECD's Development Assistance Committee (DAC) in April 2006; agreement on a set of indicators to measure the implementation of GHD; and a wider acceptance of standardized reporting to donors by humanitarian agencies, such as the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the International Committee of the Red Cross.

2.3.3 Effective Use of Agency Resources and Clear Accountability for Results

CIDA shares responsibility for relationships with multilateral organizations with other government departments, notably DFAIT. In terms of humanitarian assistance, CIDA and DFAIT collaborate closely to ensure that humanitarian issues receive an appropriate response from the federal government.

CIDA continued to exercise due diligence and add value to its funding relationships by participating in the governance of most multilateral organizations, usually through Boards of Directors, various management and policy committees, or thematic meetings at various levels.

In terms of humanitarian assistance, the UN Central Emergency Response Fund (CERF) is a major new initiative to improve the timeliness of humanitarian response by pooling donor resources and making them available earlier in a crisis than would otherwise be possible. Canada's support for the CERF (which is managed by OCHA) amounted to $24.4 million in

2006. A preliminary review that was commissioned by CIDA to examine the first year of operations of the CERF concluded that OCHA was able to establish the overall administrative framework and to disburse CERF funds.

In addition to this centralized support for rapid humanitarian responses, CIDA pursued the possibility of enhancing Canada's capacity to respond rapidly and visibly. Measures examined during 2006-07 included an expansion of Canada's existing emergency stockpile of relief supplies, and the rapid deployment of Canadian experts to key agencies providing humanitarian assistance in a given emergency.

Results-based Management and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM)

CIDA regularly advocates for improvements in the use of results-based management by its multilateral and international partners – the ability to manage for results varies from one organization to another. For example, CIDA's support the GFATM relies in part on the global fund's strong capacity to manage for results. The GFATM is an international financing mechanism through which donors assist countries to combat HIV/AIDS, Tuberculosis, and Malaria. CIDA's recent assessment of the GFATM concluded that it a well-run organization with strong performance management, ongoing audits and evaluations, transparent operations, and engagement of donor governments, partner governments, and civil society in both donor and recipient countries.

A key strength of the GFATM is its reliance on a strong technical review panel and on a performance-based system of grant making, enabling it to regularly report on short-term results (based on indicators such as the number of people currently receiving antiretroviral therapy, and the number of insecticide-treated bednets distributed to people), as well as medium-term results (based on indicators such as the percentage of those aged 15 to 24 who are HIV-infected, and the estimated number of active TB cases per 100,000 people).

A report follows on a multi-donor evaluation that was completed in 2006. It provides an objective assessment of the results CIDA achieves with its international assistance.

World Health Organization's 3 X 5 Initiative

In 2003, the WHO launched the "3 by 5" Initiative to enable access to anti-retrovirals by three million people living with HIV/AIDS by the end of 2005. CIDA contributed $100 million to WHO for the Initiative, from 2004-2005 to 2005-2006, and was the largest donor providing roughly half of the total actual budget of US$194 million. The multi-donor evaluation focused on the activities undertaken by WHO for this initiative over a two-year period (2004 and 2005), and was sponsored by CIDA. The evaluation investigated all three levels at which WHO operates (headquarters, regional offices and country offices), placing particular emphasis on Africa.

Relevance: This initiative was highly relevant to people living with HIV/AIDS. WHO's activities included establishing standards and treatment protocols; pre-qualifying drugs including fixed-dose combinations for the first time in developing countries; assisting countries to develop treatment plans, thereby improving their chances to access international funding. This work was considered essential if the objectives by other large funding mechanisms were to be met, such as the Global Fund, national governments, and bilateral and multilateral donors that funded treatment programs and the procurement of anti-retrovirals.

Results Achieved: The "3 by 5" target of 3 million people by 2005 was not fully met. In fact, 1.3 million people were receiving treatment at the end of 2005 (from a base of 400,000 in December 2003); WHO reports that by June 2006, the total number had reached 1.6 million, a total increase of 300 per cent. Other achievements by the "3 by 5" initiative included good progress achieved in drug procurement, drug prices, and health systems strengthening. Furthermore, increases in political recognition and financial commitments, as well as the establishment of more than 200 partnerships, contributed to the ongoing efforts of the WHO to ensure greater access to HIV treatment to those who need it. The initiative was very successful in proving once and for all that, even in resource-poor settings, people living with HIV/AIDS need not be deprived of access to life-saving anti-retrovirals, and by doing that, carving a niche for WHO in the international HIV/AIDS architecture.

Remaining gaps in treatment access and weakness in the global response should be seen as an important reminder of WHO's continued relevance and why the Organization must become even more effective in providing technical leadership as well as working to intensify country support for further scaling up. Many developing countries have made significant progress over a relatively short period to increase the numbers of people who are receiving antiretroviral therapy. However, there are still striking differences between regions and countries.

Sustainability and Capacity Development: Donors need to provide more secure, appropriate and sustainable mechanisms for countries to fund their national programs; commit adequate and steady funding to WHO so that it can fulfill its mandate; ensure that there is mutual accountability between development partners and national governments to achieve the goals of universal access; mobilize political support for appropriate action, including national efforts as a matter of public health safety and sustainable development; and intensify the focus on Africa. The financing of national programs (including the purchase of medicines) by donors is done either directly or through other institutions and not through WHO.

Program Effectiveness: The evaluation reviewed how effectively the WHO provided technical assistance to countries and the extent to which the WHO mobilized other stakeholders and partners within an alignment and harmonization framework. The findings pointed out many successful

partnerships on the ground, stressing however that this effort should be more systematized and integrated into the overall work of WHO's HIV/AIDS Department.

Recommendations: In order to improve its performance within WHO, the HIV/AIDS Department must achieve greater coherence at the three levels at which it operates; improve interdepartmental collaboration to minimize areas of conflict and avoid duplication; allocate internal resources more judiciously for priority areas; and work with the Organization to substantially strengthen the WHO regional office for Africa.

WHO should develop more effective mechanisms for managing partnerships and delivering coordinated, high-quality technical expertise; promote South-to-South cooperation; and assist countries in securing reliable supplies of effective medicines and diagnostic tools.

Next Steps: WHO has reorganized its HIV/AIDS Department in line with the recommendation to sharpen its focus. Implementation of other recommendations will further strengthen the Department and enhance its ability to lead the global response to HIV/AIDS. The experience and evaluation of the "3 by 5" Initiative have led to improved effectiveness of WHO as an organization, and to heightened awareness, within the UN system and among donors and recipients, of WHO's role in HIV/AIDS programming and its capacity to deliver services within its mandate. WHO's Action Plan Towards Universal Access (2006-2010) takes into account the lessons learnt from the evaluation.

2.4 Policy Coherence

Financial Resources

Planned spending	Authorities	Actual spending
$65,346,000	$64,191,785	$64,035,753

Human Resources

Planned	Actual
382	393

International development cooperation is a key element of Canada's foreign policy, and ensuring coherence among all aspects – aid, trade, defence, immigration, diplomacy and security, among others – is a priority for the government. A coherent, government-wide approach to Canada's policies that affect developing countries reinforces strategic focus, strengthens program delivery, ensures effective use of Canada's aid resources, and clarifies accountability for results among all the players.

2.4.1 Strategic Focus

A key step towards a more strategic focus was taken in Budget 2007 when the Government announced Canada's aim to be among the largest five donors in core countries of interest. CIDA has focused much effort towards enhanced interdepartmental collaboration and coherence between Canada's overall foreign and development policy goals and objectives, particularly in high-priority areas such as Afghanistan, Haiti and Sudan.

Ongoing dialogue within and outside the Agency enabled CIDA to continue refining and strengthening its capacity in key strategic sectors in line with overall policy directions. By combining sector-specific expertise with in-depth understanding of the development challenges, CIDA has successfully leveraged opportunities and influenced progressive change on a number of fronts:

- The Agency is developing an anti-corruption strategy to guide policy and programming development, particularly in the sector of democratic governance.
- In 2006-2007, CIDA developed a new program to support African efforts to strengthen health systems, improve health outcomes and make concrete progress towards achieving the MDGs through the 10-year, $450 million African Health Systems Initiative.
- Over the past year, equality between women and men gained even greater emphasis in Canada's development assistance. For example, in 2006, Canada pledged $1.47 million to the implementation of the World Bank's new Action Plan, "Gender Equality as Smart Economics".

The Agency participated actively in the interdepartmental preparations for the G8 Summit in St. Petersburg, Russia. At the Summit, the Prime Minister announced a number of CIDA-related commitments in support of health, including an additional $250 million for the GFATM, $57 million for the global response to avian influenza, and $45 million for the Global Program for the Eradication of Polio. Another key commitment was the increase of bilateral spending in education in Africa from a level of $100 million in 2005-2006 to $150 million annually by 2010-2011.

CIDA's fourth Sustainable Development Strategy, tabled in Parliament in 2006, illustrates the Agency's ongoing commitment and contribution to sustainable development both in its development initiatives and within its own operations. The strategy highlights what CIDA believes are best practices at the policy and program levels that promote enhanced sustainable development.

2.4.2 Strengthened Program Delivery

The ability to manage horizontally and build synergies between related policy initiatives of other partners and stakeholders is essential, as much amongst the international community as in the federal government. For example, one responsibility of CIDA's ODG is to determine how to deploy wide-ranging federal government expertise for the delivery of programming in an international development context.

In Afghanistan, CIDA worked closely with DFAIT and other government departments to coordinate Canadian approaches to improving border security on the Afghanistan/Pakistan frontier. This includes increasing development activities in the border region to reduce levels of deprivation and poverty, while the RCMP, the Canadian Border Services and others work to improve border management by both Pakistani and Afghan authorities. In Canada, coordination in Afghanistan is more broadly ensured through interdepartmental committees at various levels in CIDA, DFAIT and the Department of National Defence.

Another example of close cooperation between CIDA, DFAIT and other government departments was Canada's prompt and effective response to the immediate consequences of the 2006 conflict in Lebanon. CIDA initially contributed $5.5 million for humanitarian needs. CIDA's portion of the two-year $25-million Lebanon Relief Fund supported postwar humanitarian, stabilization and recovery needs. At the Paris III Donors' Conference in January 2007, Canada committed up to $20 million over three years to help address longer-term development priorities in the country and was recognized for its quick action in Lebanon.

CIDA's efforts to achieve policy coherence on aid effectiveness issues has helped the Agency to enrich its thinking on the role of civil society in development. CIDA has taken on an international leadership role to enrich the international aid effectiveness agenda on issues of aid effectiveness and civil society. In January 2007, the Agency collaborated

with the OECD-DAC to set up an Advisory Group on Civil Society and Aid Effectiveness. Canada was elected Chair of this group.

The objective is to secure a place for discussions of civil society and aid effectiveness at the next High Level Forum on Aid Effectiveness to be held in Accra in September 2008.

Education Programming for Aid Effectiveness in 2006-2007

Canada contributed $25 million to support Education For All, including $24 million for the Education for All Fast Track Initiative (EFA-FTI), a global partnership between donor and developing countries to accelerate progress towards the education MDG of universal primary completion for girls and boys by 2015.

The EFA-FTI has proven to be an effective mechanism for enhancing donor harmonization, and increasing external and domestic financing for basic education. Adhering to the principles of aid effectiveness, countries commit to developing and implementing sound education sector plans and to increase domestic resources for primary education. Donors then commit to support these education sector plans with increased financing and harmonization.

By supporting the EFA-FTI, CIDA contributes to the practical application of the principles of aid effectiveness and has helped to link over 30 bilateral and multilateral donors, with over 30 low-income countries, the majority of which where CIDA has significant education investments (e.g. Mozambique & Senegal).

CIDA serves as the *Canadian National Focal Point for the UNCCD*. Through the leadership of CIDA, Canada's holistic approach to combating desertification continues to rest on three key pillars: poverty reduction, capacity development and participatory initiatives. In addition to promoting effective bilateral and multilateral aid initiatives, CIDA has supported over 100 partners in the private sector, academic institutions and NGOs on numerous projects dedicated to minimizing the adverse effects of desertification worldwide. CIDA continues to support a wide range of community-based initiatives. While CIDA is committed to combating desertification globally, the Sahel and West Africa have become particular areas of focus in the recent past.

With respect to the implementation of the UNCCD, this has involved a close involvement with the National Action Plan processes in several regional countries. CIDA has also been involved in a range of other initiatives, as evidenced by the important number of sustainable development projects in Burkina Faso, Ghana, Mali, Niger, and Senegal.

2.4.3 Effective Use of Agency Resources

CIDA made considerable headway in reducing costs and rationalizing processes and systems. In the field, the management structure of program support units was redesigned to provide added rigor, reduced risk, and clearer roles and responsibilities. New guidelines were drafted for both organizing and managing these units. A MOU and service standards have been developed with DFAIT to improve support to field operations.

In Budget 2007, the Government of Canada reinforced its commitment to increase its staff in the field to improve responsiveness and make better choices on the ground. CIDA is undertaking a review of its own experiences and a comparative study of the decentralization efforts of several other donors. These initiatives and others, including efforts to increase coordination of partnership programming in the field, will help CIDA determine the next steps for effective decentralization.

CIDA's level of untying aid has been steadily improving[15], increasing from 32 per cent in 2001 to 66 per cent in 2005.

2.4.4 Clear Accountability for Results

The Agency finalized its new *Corporate* RRMAF. In the context of the inherently high-risk nature of development assistance, the RRMAF specifies what results CIDA expects to achieve; what risks are foreseen and how they are managed; how CIDA's performance is monitored, evaluated and audited; and how CIDA reports on its performance. The framework assigns accountabilities and responsibilities for mitigating risks and includes a range of measures and tools now in use.

TB's approval of CIDA's new PAA was also a major advance in the strengthening of the Agency's accountability regime. The PAA identifies corporate results based on CIDA's strategic relationships organized in a logic model/chain.This strategic planning model underpins CIDA's performance management framework and provides a frame to which country program planning and results can be anchored. The model specifically identifies aid effectiveness, alignment and mutual accountability as desired outcomes of CIDA's efforts, thus providing a basis for indicators, such as those identified in the Paris Declaration, to be tracked systematically to report on CIDA's performance. The new PAA was effective as of April 2007.

[15] In part due to the fact that, since September 2005, Canada's food aid has been 50 per cent untied (which allows for up to 50 per cent of food aid to be purchased from a list of developing countries).

2.5 Engaging Canadians

Financial Resources

Planned spending	Authorities	Actual spending
$14,908,000	$36,776,293	$33,256,495[35]

Human Resources

Planned	Actual
31	22

Public support for Canada's development aid program relies on the understanding of development challenges that persist in many countries. CIDA has developed a wide range of approaches, activities, and products that inform Canadians of its efforts to address these challenges and encourages them to become more involved in shaping Canada's international development agenda. CIDA also co-invests in Canadian partners' awareness and outreach activities, and in their programs offering Canadian opportunities for participation in development assistance.

2.5.1 Strategic Focus

As in previous years, CIDA used a variety of communications tools to provide information in response to public interest, tailoring its communications to the needs of specific audiences. Specific efforts were made to explain the reality of delivering assistance in fragile states such as Afghanistan and Haiti. Emphasis was also placed on issues such as equality between women and men and democratic governance.

The ODG was created with a mandate to enhance Canada's aid effectiveness by leveraging Canada's comparative advantage in democratic governance programming and establishing partnerships with key Canadian experts, organizations, institutions and other government departments whose work focuses on democratic governance. As such, CIDA's new Program Activity Architecture for 2007-2008 repositions ODG programs to reflect the contributions to enhanced institutional performance in our partner countries and organizations. This initiative responds to the increased attention of the international community, and of CIDA, to democratic governance as a key factor in poverty reduction and sustainable development. It meets the Government of Canada's strong focus on democracy, human rights, and the rule of law.

[35] The difference in planned spending and actual expenditures under "Engaging Canadians" is due to the creation of the ODG after the publication of the 2006-2007 RPP.

The Office for Democratic Governance: Program Highlights

Freedom and democracy: deployment of 144 Canadians to observe elections in Haiti, the Democratic Republic of Congo, Georgia, Tajikistan, Aceh (Indonesia), Serbia and Armenia;
Human rights: support for research in the area of Human Rights Measurement. The findings were discussed at an International Roundtable on Human Rights Measurement in May 2007;
Rule of law: conduct of a study focused on the effectiveness of rule of law programming, and more specifically on how to optimize CIDA's partnership with the Canadian justice sector, including the Department of Justice, to increase aid effectiveness in the area of legal and judicial reform; and
Building accountable public institutions: through the framework arrangement with Statistics Canada, contributed to the improvement of the capacity of national and international statistical systems to produce and use data for development, in order to better assess progress on the MDGs and for measuring aid effectiveness. This framework arrangement supports a whole-of-CIDA/whole-of-Government approach to statistical capacity building in developing countries.

2.5.2 Strengthened Program Delivery

In 2006–2007, CIDA delivered on its commitment to significantly expand public awareness and engagement efforts through mass media productions and speakers' programs. CIDA's Development Information Program (DIP) provides financial support to develop mass media and educational initiatives that increase awareness and understanding of international development and cooperation issues among Canadians. In 2006–2007, DIP projects emphasized development efforts in Afghanistan, Haiti and Africa.

The DIP supported 90 communication projects that reached millions of Canadians through network broadcasts by CTV, CBC, Global, Radio-Canada, Télé-Québec, MTV and TVOntario, among others. Among these initiatives was *Radiomonde*, a Radio-Canada radio series that featured four young Canadian correspondents reporting on international development from Africa, Latin America and Asia.

Global Classroom Initiative

A recent DIP evaluation stated that over 1.2 million teachers and schoolchildren have benefited from the Global Classroom initiative between 2003-2006 which supports the development and delivery of school-based global education resources and activities for elementary and secondary school students and teachers in Canada.

Reaching Canadians

The 17th annual International Development Week, held in February, featured 150 events across Canada, organized by CIDA and its partners.

CIDA's Speakers Program reached approximately 12,000 Canadians in 2006-2007 by placing CIDA staff and executives before different audiences.

CIDA's website was revamped and launched in May 2006 with an updated navigation structure and style to make it more friendly user. Special attention was paid to revamping the Haiti and Afghanistan portions of the website, to provide more complete information and results on CIDA's work in these parts of the world.

2.5.3 Effective Use of Agency Resources and Clear Accountability for Results

CIDA is supporting a strategic alliance between Canada's seven provincial/regional councils for international cooperation, which is expected to contribute to clear accountability in the area of public engagement. Sharing best practices on public engagement, measurement and evaluation is one of the areas targeted for joint work by the councils. The decision to support inter-council collaboration was in response to a recommendation contained in the 2005-2006 evaluations of the councils.

In an effort to be more transparent, CIDA has increased the number of development projects and programs described on an online database called the Project Browser. At the end of the year, information on more than 800 CIDA projects and programs in 110 countries was available online, in both official languages.

2.6 Corporate Services

Information Management and Technology (IM/IT)

In 2006-2007, CIDA restructured its IM/IT group and transitioned from a contractor-based to an employee-based organization, reinforcing stability, productivity and improved project turn-around times. It also began redesigning internal processes and standards, workflows, best practices and knowledge transfer. The Agency finalized its 2007-2012 IM/IT Strategy, which amalgamates information management and information technology, corporate systems, and Agency processes into one crosscutting and integrated plan.

In June 2006, an e-Business automated tool was delivered to support CIDA's Industrial Cooperation Program. The e-business partner/project rooms facilitate and standardize the preparation of on-line proposals made by CIDA's development partners and streamline the business processes for program managers and officers who need to review, assess, seek approval for and monitor these proposals.

Human Resources and Financial Administration

CIDA undertook steps to improve change management during 2006-2007, particularly in its financial management function. The new Chief Financial Officer model has already resulted in improved financial planning information for senior management decision-making, which includes more updates and analyses of financial information, and better coordination of the program approval process. Financial risk management was also strengthened during the year with the development of the Fiduciary Risk Management Policy for PBAs.

In 2006-2007, CIDA obtained TB approval for renewed "Terms and Conditions" for the grants and contributions funded by the Agency. CIDA's Terms and Conditions determine the financial limits of the Minister's delegation of financial authorities, define CIDA's classes of grants and contributions, and provide an extensive framework within which the Agency's grants and contributions are to be administered.

CIDA is also continuing its participation in the Joint Venture on Public Financial Management at the OECD, which has been instrumental in setting accounting standards for the financial statements of developing countries and in developing an analytical framework for assessing the public financial management capacity of developing countries.

In 2006-2007, CIDA focussed on the implementation of its new Human Resource Management (HRM) Governance Machinery and Framework, establishing new committees to ensure a corporate standardized approach to staffing processes, improve efficiencies in the collective staffing processes; and ensure linguistic duality in the Agency.

Among the initiatives that supported CIDA's change management program were:

- Updating its Employment Equity Action Plan and a targeted recruitment initiative for clerical staff that achieved its goals for visible minority group representation;
- A New Development Officer recruitment campaign for the entry-level officers of CIDA's business critical function, the Program Managers. At the same time, as part of its succession management process, the Agency carried out an extensive study of its executive cadre to ensure leadership continuity in terms of current and future business needs;
- Adoption of a Community-Based Learning Framework and development of learning programs for new development officers and leaders based on both present and future key competency requirements;
- Providing training for managers in integrating human resource and business planning.

Internal Audit

In 2006-2007, CIDA created the Office of the Chief Audit Executive (OCAE), in compliance with the new *Federal Accountability Act* and TB Policy on Internal Audit. The Office provides independent and objective assurance services designed to add value and improve CIDA's operations, and to enhance public trust and confidence in the delivery of the Agency's mandate. It helps the Agency to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Bangladesh Country Program – Audit Results

The Bangladesh Country Program's goal as set out in the 2003–2008 strategy is to contribute to poverty reduction and sustainable development in Bangladesh through support for social development, democratic governance and the private sector. The Bangladesh Program has almost always been one of the largest country programs in the Agency.

The audit found that the country program had adequate controls over its operations and was in compliance with legislation and central agency policies such as the *Financial Administration Act* and the Transfer Payment Policy and that generally, there was good adherence to the terms and conditions of contribution agreements, CIDA policies, and MOUs. Risks were overall well managed, and program and project results were adequately monitored, measured and reported to senior management to support decision-making processes.

Program resources were also allocated and adjusted as required as a function of strategic direction, risk assessment and expected results. Improvement was recommended in defining roles and responsibilities of staff at the desk and at the post in Bangladesh.

As required per the MOU signed in April 2007 between CIDA and TBS concerning the funding support for the implementation of TBS Policy on Internal Audit, CIDA must disclose the use of incremental funding obtained in 2006-2007 from TB in its annual Performance Report. In 2006-07, CIDA disbursed a total of $89,035 received from TB to cover training, certification and professional membership of OCAE's internal auditors ($62,985) and remuneration of audit committee's external member ($26,050).

Iraq Country Program – Audit Results

Canada's international development objective in Iraq is to support the development of a stable, self-governing and prosperous country with a democratic government representative of its people and respectful of human rights, including women's rights, and the rule of law.

On May 14, 2003 the Canadian government approved an allocation of $300 million for humanitarian and reconstruction assistance in Iraq. In August 2003, Treasury Board approved CIDA's request to provide a grant of $40 million to UNICEF and a grant of up to $100 million to a Donor's Trust Fund, the International Reconstruction Fund Facility for Iraq, to be jointly managed by the United Nations Development Programme and the World Bank. Payment to the Donor's Trust Fund was conditional upon CIDA's returning to TB with a submission detailing CIDA's comprehensive Iraq Program. It was also conditional on CIDA providing TB with a Results-based Management and Accountability Framework and a Risk-based Audit Framework before granting supply for the 2003-2004 Supplementary Estimates. Both these conditions were met and in March 2004, TB approved the disbursement of the class grant of $100 million for the Donor's Trust Fund.

As of May 2006, approximately $245.8 million of the grant and contribution funds has been allocated to rehabilitation and reconstruction in Iraq. This includes funds allocated but not fully disbursed for 19 operational projects.

The internal audit of the Iraq Country Program concludes that key financial and management controls for the operations and delivery of the program are in place and generally operating efficiently. Further, the selection and approval of grant and contribution funds and the respective mechanisms for disbursements, grant and contribution agreements, administrative arrangements/agreements and contracts, are in accordance with applicable legislation, policies and guidelines. There is an accountability framework which has been adapted to manage the financial and operations risks of delivering projects in a conflict situation where personal security is a constant risk. Areas in need of improvement include written account verification procedures and an audit clause for administrative arrangements.

Evaluation

In 2006-2007, CIDA continued to focus on both corporate and program level evaluations, as well as on some multi-donor initiatives. This work addressed such issues as the relevance of investments, the results being achieved, their cost-effectiveness, and sustainability of the benefits. The information produced is used for reporting on results, thus helping the Agency discharge its accountabilities for use of taxpayers' money as well as program delivery aspects for cost-effectiveness.

Evidence of the Effectiveness of CIDA's Grants and Contributions

The TB requires departments to report on the effectiveness of transfer payments when requesting a renewal of their Terms and Conditions. This Review was conducted as an input in support of the Agency's submission for the renewal of its operating mandate. It examined the effectiveness of CIDA's investments over a five- year review period from 2000-2001 to 2005-2006. As the first of its kind by the Agency, this Review also establishes a baseline to measure future performance in the context of the aid effectiveness agenda. Development effectiveness was measured on four internationally accepted criteria: objectives achieved; relevance to poverty reduction, cost-effectiveness and sustainability of results.

Overall development effectiveness performance of CIDA's Grants and Contributions program is 80 per cent satisfactory or better and 20 per cent unsatisfactory or less. This compares with similar scores on the performance of the World Bank and the Asian Development Bank. Average scores of satisfactory or better indicates that the investments were generally considered to be relevant, sustainable, demonstrating results and cost-effective.

Of the 20 per cent scored as unsatisfactory or less, only one per cent were rated as very unsatisfactory. Average scores of unsatisfactory or lower means that there were weaknesses in either two or more development effectiveness criteria. It should be noted that this does not infer that the entire investment reviewed was unsatisfactory in all criteria or that resources were misallocated. This report is available on the Agency's website.

Parliamentary Relations

CIDA has received well over 300 requests from Members of Parliament on subjects ranging from CIDA's work in Afghanistan, To Canada's ODA spending, to the projects constituents are pursuing in developing countries. Ensuring that Parliamentarians and their constituents receive timely and accurate information is a priority for the Agency.

Access to Information and Privacy (ATIP)

The past year saw the number of access to information requests increase by over 35 per cent, with one-third of all requests related to CIDA's work in Afghanistan. Despite an ever-increasing volume of requests to manage, the Agency has improved its performance in terms of timely completion of access requests. The Office of the Information Commissioner measures ATIP performance annually.

SECTION III: SUPPLEMENTARY INFORMATION

Annex 1: Financial Tables

Table 1: Comparison of Planned to Actual Spending

($ millions)	2004–2005 Actual	2005–2006 Actual	2006–2007 [b] Main Estimates	Planned Spending	Total Authorities	Actual
Budgetary						
Geographic Programs	1,248.60	1,399.20	1,518.93	1,601.75	1,622.67	1,563.21
Multilateral Programs	1,652.22	1,280.21	1,066.77	1,042.44	1,107.22	1,080.76
Canadian Partnership	276.34	272.84	279.61	279.61	289.25	273.41
Policy Coherence	55.68	67.97	55.37	65.34	64.19	64.03
Engaging Canadians	19.36	24.62	14.91	14.91	36.78	33.26
Total Budgetary	3,252.20	3,044.84	2,935.59	3,004.05	3,120.11	3,014.67
Non-budgetary						
Multilateral Programs [a]	3.00	3.49	3.27	3.27	3.32	3.32
Canada Investment Fund for Africa		25.09	36.00	36.00	74.91	25.27
Total Non-Budgetary	3.00	28.59	39.27	39.27	78.23	28.59
Total Agency	3,255.20	3,073.43	2,974.86	3,043.32	3,198.34	3,043.26
Less: Non-respendable revenue	92.60	47.20	0.00	0.00	0.00	23.40
Plus: Cost of services received without charge	18.70	18.58	0.00	24.94	0.00	19.65
Net Cost of Agency	3,181.30	3,044.81	2,974.86	3,068.26	3,198.34	3,039.51
Full Time Equivalents	1,527	1,607		1,578		1,671

(a) Excludes $189.9 million in issuance of notes issued to the International Financial Institution Fund Accounts.

(b) Variance: CIDA's 2006-2007 Total Authorities and Actual Spending were increased compared with Planned Spending through payments made for foreign aid of $155.0 million.

Table 2: Resources by Program Activity

2006–2007							
($ millions)	Budgetary					Plus: Non-Budgetary	
	Operating	Grants	Contributions and Other Transfer payments	Total: Gross Budgetary Expenditures	Total: Net Budgetary Expenditures	Loans, Investments and Advances [c]	Total
Geographic Programs							
Main Estimates	126.62	447.32	944.99	1,518.93	1,518.93	36.00	1,554.93
Planned Spending	*124.43*	*502.32*	*974.99*	*1,601.75*	*1,601.75*	*36.00*	*1,637.75*
Total Authorities	125.45	599.44	897.78	1,622.67	1,622.67	74.91	1,697.58
Actual Spending	120.39	545.11	897.71	1,563.21	1,563.21	25.27	1,588.48
Multilateral Programs							
Main Estimates	28.43	748.58	289.77	1,066.77	1,066.77	3.27	1,070.04
Planned Spending	*28.43*	*724.25*	*289.77*	*1,042.44*	*1,042.44*	*3.27*	*1,045.71*
Total Authorities [a]	38.71	692.81	375.70	1,107.22	1,107.22	3.32	1,110.54
Actual Spending	*34.49*	*673.49*	*372.78*	1,080.76	1,080.76	*3.32*	1,084.08
Canadian Partnership							
Main Estimates	28.23	31.95	219.43	279.61	279.61	0.00	279.61
Planned Spending	*28.23*	*31.95*	*219.43*	*279.61*	*279.61*	*0.00*	*279.61*
Total Authorities	28.92	23.72	236.62	289.25	289.25	0.00	289.25
Actual Spending	25.38	19.28	228.75	273.41	273.41	0.00	273.41
Policy Coherence							
Main Estimates	46.41	6.20	2.76	55.37	55.37	0.00	55.37
Planned Spending	*46.41*	*11.20*	*7.74*	*65.35*	*65.35*	*0.00*	*65.35*
Total Authorities	49.79	5.40	9.01	64.19	64.19	0.00	64.19
Actual Spending	49.79	5.30	8.95	64.04	64.04	0.00	64.04
Engaging Canadians							
Main Estimates	4.78	0.00	10.13	14.91	14.91	0.00	14.91
Planned Spending	*4.78*	*0.00*	*10.13*	*14.91*	*14.91*	*0.00*	*14.91*
Total Authorities	6.63	8.35	21.80	36.78	36.78	0.00	36.78
Actual Spending	*6.63*	*5.05*	*21.58*	33.26	33.26	0.00	33.26
Total Main Estimates	234.47	1,234.05	1,467.07	2,935.59	2,935.59	39.27	2,974.86
Total Planned Spending	*232.28*	*1,269.72*	*1,502.05*	*3,004.05*	*3,004.05*	*39.27*	*3,043.32*
Total Authorities	249.49	1,329.72	1,540.91	3,120.11	3,120.11	78.23	3,198.34
Total Actual Spending [b]	236.67	1,248.22	1,529.78	3,014.67	3,014.67	28.59	3,043.26

(a) Includes $9.3 million due to loss for revaluation of assets at year-end
(b) Excludes $23.4 million in Non-respendable revenue credits and Cost of services received without charge ($19.3 million).
(c) Excludes $189.9 million in issuance of notes issued to the International Financial Institution Fund Accounts.

Table 3: Voted and Statutory Items

Voted or Statutory Item	Truncated Vote or Statutory Wording ($ thousands)	2006–2007 Main Estimates	Planned Spending	Total Authorities	Total Actuals
	Budgetary				
15	Operating expenditures	210,666	208,481	218,202	205,394
20	Grants and contributions	2,421,158	2,491,807	2,472,338	2,379,715
(S)	Minister of International Cooperation - Salary and motor car allowances	73	73	73	73
(S)	Payments to the International Financial Institution Fund Accounts	279,962	279,962	243,284	243,284
(S)	Contributions to employee benefit plans	23,728	23,728	21,892	21,892
(S)	Spending of proceeds from the disposal of surplus Crown assets	0	0	7	0
(S)	Loss for revaluation year end	0	0	9,311	9,311
(S)	Collection agency fees	0	0	2	2
(S)	Payments for foreign aid	0	0	155,000	155,000
	Total Budgetary	2,935,587	3,004,051	3,120,109	3,014,671
	Non-budgetary				
L40	Issuance of notes to the International Financial Institution Fund Accounts	..	..	..	..
L45	Payment and issuance of notes to International Financial Institutions - Capital Subscriptions	3,270	3,270	3,324	3,324
L50	Investment contributions pursuant to section 3 of the *Canada Fund for Africa Act*	36,000	36,000	74,906	25,267
(S)	Payments to International Financial Institutions - Capital Subscriptions	0	0	0	0
	Total Non-budgetary	39,270	39,270	78,230	28,591
	Total Agency	2,974,857	3,043,321	3,198,339	3,043,262

The variance between the total Authorities and the Actual Spending is $155.1 million: from the Grants and Contributions Budget, $91.6 million were lapsed following Treasury Board Decision and a further $1.0 million was not spent; $12.8 million were lapsed from the Operational Budget; $49.6 million in non-budgetary expenses did not materialize.

Table 4: Services Received Without Charge

($ millions)	2006-2007
Accommodations provided by Public Works and Government Services Canada	8.18
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat	10.63
Salary and associated expenditures of legal services provided by the Department of Justice Canada	0.83
Total cost of services received without charge	**19.65**

Table 5: Loans, Investments, and Advances (Non-Budgetary)

($ millions)	Actual 2004–2005	Actual 2005–2006	2006–2007 Main Estimates	Planned Spending	Total Authorities	Actual
Multilateral Programs:						
Payments to International Financial Institutions - Capital Subscriptions (L45)	3.5	3.5	3.3	3.3	3.3	3.3
Payments to International Financial Institutions - Capital Subscriptions (S)	-0.5	0	0	0	0	0
Investment contributions pursuant to section 3 of the *Canada Fund for Africa Act* (L50)	0	25.1	36	36	74.9	25.3
Total Loans, Investments and Advances	3	28.6	39.3	39.3	78.2	28.6

Table 6: Sources of Respendable and Non-Respendable Revenue

($ millions)	Actual 2004–05	Actual 2005–06	2006–2007 Main Estimates	Planned Revenue	Total Authorities	Actual
Gain for revaluation at year end of International Financial Institutions liabilities	76.8	29.6	0.0	0.0	0.0	9.3
Refund of previous year expenditures	12.7	13.9	0.0	0.0	0.0	10.9
Return on investments	2.7	2.7	0.0	0.0	0.0	2.9
Miscellaneous	0.4	1.0	0.0	0.0	0.0	0.2
Total Non-respendable Revenue	92.6	47.2	0.0	0.0	0.0	23.4

Table 7: Resource Requirements by Branch

2006–2007 (in millions $)						
	Program Activity					
Organization	Geographic Programs	Multilateral Programs	Canadian Partnership	Policy Coherence	Engaging Canadians	Total
Africa Branch						
Main Estimates	654.6	0.0	0.0	4.1	0.0	658.7
Planned Spending	*652.4*	*0.0*	*0.0*	*4.1*	*0.0*	656.5
Total Authorities	633.1	0.0	0.0	4.9	0.0	638.0
Actual Spending	609.1	0.0	0.0	4.9	0.0	614.0
Americas Branch						
Main Estimates	182.6	0.0	0.0	6.6	0.0	189.2
Planned Spending	*182.6*	*0.0*	*0.0*	6.6	*0.0*	*189.2*
Total Authorities	262.8	0.0	0.0	3.0	0.0	265.9
Actual Spending	253.4	0.0	0.0	3.0	0.0	256.5
Asia Branch						
Main Estimates	428.3	0.0	0.0	3.0	0.0	431.3
Planned Spending	*513.3*	*0.0*	*0.0*	*3.0*	*0.0*	*516.3*
Total Authorities	487.0	0.0	0.0	3.4	0.0	490.4
Actual Spending	469.6	0.0	0.0	3.4	0.0	473.0
Europe, Middle East and Maghreb Branch						
Main Estimates	204.6	0.0	0.0	3.1	0.0	207.8
Planned Spending	*204.6*	*0.0*	*0.0*	*3.1*	*0.0*	*207.8*
Total Authorities	187.3	0.0	0.0	8.4	0.0	195.7
Actual Spending	180.6	0.0	0.0	8.4	0.0	189.0
Multilateral Programs Branch						
Main Estimates	0.0	1051.4	0.0	1.9	0.0	1053.3
Planned Spending	*0.0*	*1027.1*	*0.0*	*1.9*	*0.0*	*1029.0*
Total Authorities	0.0	1090.9	0.0	1.8	0.0	1092.8
Actual Spending	0.0	1065.0	0.0	1.8	0.0	1066.9
Canadian Partnership Branch						
Main Estimates	0.0	0.0	268.8	1.7	7.3	277.8
Planned Spending	*0.0*	*0.0*	*268.8*	*1.7*	*7.3*	*277.8*
Total Authorities	0.0	0.0	277.3	2.2	15.2	294.7
Actual Spending	0.0	0.0	262.1	2.2	13.4	277.7
Agency Executive (includes Office for Democratic Governance)						
Main Estimates	6.0	1.9	1.3	1.8	1.8	12.8
Planned Spending	*6.0*	*1.9*	*1.3*	*1.8*	*1.8*	*12.8*
Total Authorities	5.5	1.7	1.3	1.6	15.2	25.3
Actual Spending	5.3	1.7	1.2	1.6	13.4	23.2

Communications Branch						
Main Estimates	0.0	0.0	0.0	0.0	5.1	5.1
Planned Spending	*0.0*	*0.0*	*0.0*	*0.0*	*5.1*	*5.1*
Total Authorities	5.3	1.6	1.2	1.5	5.5	15.1
Actual Spending	5.1	1.6	1.1	1.5	5.7	15.0
Human Resources and Corporate Services Branch						
Main Estimates	20.5	6.5	4.6	6.1	0.4	38.0
Planned Spending	*20.5*	*6.5*	*4.6*	*6.1*	*0.4*	*38.0*
Total Authorities	22.1	6.9	5.0	6.3	0.4	40.7
Actual Spending	21.3	6.6	4.7	6.3	0.4	39.3
Information Management an Technology Branch						
Main Estimates	17.1	5.4	3.8	5.1	0.3	31.7
Planned Spending	*17.1*	*5.4*	*3.8*	*5.1*	*0.3*	*31.7*
Total Authorities	15.7	4.9	3.6	4.5	0.3	29.0
Actual Spending	15.2	4.8	3.4	4.5	0.3	28.1
Policy Branch						
Main Estimates	0.0	0.0	0.0	20.6	0.0	20.6
Planned Spending	*0.0*	*0.0*	*0.0*	*30.5*	*0.0*	*30.5*
Total Authorities	0.0	0.0	0.0	25.4	0.0	25.4
Actual Spending	0.0	0.0	0.0	25.3	0.0	25.3
Performance and Knowledge Management Branch						
Main Estimates	5.0	1.6	1.1	1.5	0.1	9.3
Planned Spending	*5.0*	*1.6*	*1.1*	*1.5*	*0.1*	*9.3*
Total Authorities	3.9	1.2	0.9	1.1	0.1	7.1
Actual Spending	3.7	1.2	0.8	1.1	0.1	6.9
Total Main Estimates	1518.9	1066.8	279.6	55.4	14.9	2935.6
Total Planned Spending	*1601.7*	*1042.4*	*279.6*	*65.1*	*14.9*	*3004.1*
Total Authorities	1622.7	1107.2	289.3	64.2	36.8	3120.1
Total Actual Spending	1563.2	1080.8	273.4	64.0	33.3	3014.7

Table 8a: User Fees – *User Fees Act*

				2006-2007					Planning Years		
A. User Fee	Fee type	Fee-setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Fees charged for the processing of access requests filed under the *Access to Information Act*	(R)	*Access to Information Act*	1992	1.50	1.18	416.72	Response within the time limit prescribed by the Act, minimum rate of 80%	Response rate of 87.5% for 2006-2007	2006-2007	n.a.	n.a.
									2007-2008	n.a.	n.a.
		Subtotal (R)		1.50	1.18	416.72			2008-2009	n.a.	n.a.
		Subtotal (O)		-	-	-					
		Total		1.50	1.18	416.72					
B. Last Date Modified											
C. Other Information											

Table 8b: User Fees – Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Standard	Stakeholder Consultation
Fees charged for the processing of access requests filed under the *Access to Information Act*	Minimum of 80%	87.5% in 2006-2007	Not applicable, as per policies and guidelines issued by the Treasury Board Secretariat, institution responsible for the ATIP program
B. Other Information			

Table 9: Details on Transfer Payments by Business Line

($ thousands)	Actual 2004-05 1	Actual 2005-06 2	2006-07 Planned Spending 3	2006-07 Total Authorities 4	2006-07 Actual 5	2006-07 Variance (5 - 3)
Grants						
Geographic Programs						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	298,853	384,463	482,577	556,080	518,468	35,891
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions, Canadian, international and local non-governmental organizations, the International Development Research Centre, developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries.	1,700	5,615	1,700	15,500	14,496	12,796
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs projects, activities and appeals.	9,225	12,275	18,047	27,241	11,500	(6,547)
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	0	0	0	700	650	650
Multilateral Programs						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	551,594	234,450	224,513	208,200	207,318	(17,195)
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions, Canadian, international and local non-governmental organizations, the International Development Research Centre, developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries.	367,366	285,952	384,799	298,859	289,892	(94,907)
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs projects, activities and appeals.	220,376	110,259	114,935	165,750	176,277	61,342
Canadian Partnership						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	800	1,000	1,700	3,765	3,600	1,900

Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing-country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	28,310	21,376	22,000	17,450	14,710	(7,290)
Development assistance as education and training for individuals.	8,046	6,491	8,250	2,500	967	(7,283)
Policy Coherence						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	2,512	4,159	8,900	3,900	3,809	(5,091)
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing-country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	1,611	1,480	2,300	1,500	1,487	(813)
Engaging Canadians						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	0	0	0	3,700	3,559	3,559
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing-country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	0	1,750	0	4,650	1,486	1,486
Total Grants	1,490,393	1,069,270	1,269,721	1,329,715	1,248,219	(21,502)

Contributions						
Geographic Programs						
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country-specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues.	770,643	810,549	974,308	855,484	855,416	(118,892)
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union.	73,370	57,341	0	0	0	0

Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	610	911	685	306	306	(379)
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs projects, activities and appeals.	0	1,614	0	1,994	1,988	1,988
Multilateral Programs						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	1,616	1,766	4,300	4,040	1,886	(2,414)
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; the International Development Research Centre; developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries.	115,717	9,586	290	3,160	3,153	2,863
Contribution to the Inter-American Development Bank.	1,139	945	1,200	1,200	880	(320)
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs projects, activities and appeals.	13,094	12,892	2,814	4,770	4,770	1,956
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues.	0	0	0	2,650	2,609	2,609
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of private sector development, projects and activities.	750	1,200	1,200	1,600	1,200	0
Canadian Partnership						
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	189,956	187,242	162,183	204,542	204,540	42,357
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of private sector development, projects and activities.	36,379	30,758	57,242	31,292	23,462	(33,780)

Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country-specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues.	0	250	0	785	750	750
Engaging Canadians						
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	1,311	11,602	5,950	16,183	16,181	10,231
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor country governments and institutions, organizations and agencies, and persons in support of the Development Information Program involving the production and dissemination of development information, educational materials and related activities.	4,323	3,963	4,178	4,178	3,972	(206)
Contributions for coopetation with countries in transition in Central and Eastern Europe and the former Soviet Union.	3	13	0	0	0	0
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country-specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues.	0	2,244	0	1,435	1,431	1,431
Policy Coherence						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions.	1,495	2,412	0	260	211	211
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities.	4,938	5,829	1,143	5,185	5,185	4,042

Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country-specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues.	0	4,512	6,593	3,560	3,558	(3,035)
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union.	0	1,028	0	0	0	0
Total Contributions	1,215,344	1,146,657	1,222,086	1,142,624	1,131,496	(90,590)
Other Transfer Payments						
Geographic Programs						
(S) Payments for foreign aid	0	0	0	40,000	40,000	40,000
Multilateral Programs						
(S) Encashment of notes issued to the development assistance funds of the IFIs in accordance with the International Development (Financial Institutions) Assistance Act	265,692	271,521	279,962	243,284	243,284	(36,678)
(S) Payments for foreign aid	0	295,000	0	115,000	115,000	115,000
Total Other Transfer Payments	265,692	566,521	279,962	398,284	398,284	118,322
Total	2,971,429	2,782,448	2,771,769	2,870,623	2,777,999	6,230

Annex 2: Financial Statements

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with management of the Canadian International Development Agency (CIDA). These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of CIDA's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in CIDA's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout CIDA.

CIDA's financial statements have not been audited.

Robert Greenhill
President

August 14, 2007
Date

G. Graham

Gregory Graham
A / Vice President, Human Resources and
Corporate Services Branch
and Senior Financial Officer

August 8, 2007
Date

The unaudited financial statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables in the DPR is prepared on a modified cash basis of accounting in order to be consistent with appropriations-based reporting. Note 3 on page 93 of the unaudited financial statements reconciles these two accounting methods.

Canadian International Development Agency
Statement of Operations (unaudited)
for the year ended March 31
(in thousands of dollars)

	2007	*2006*
Expenses (Note 4)		
Geographic programs	1,632,855	1,424,409
Multilateral programs	1,035,947	1,210,358
Canadian Partnership	274,511	302,149
Policy Coherence	64,663	71,457
Engaging Canadians	33,176	24,807
Total Expenses	**3,041,152**	**3,033,180**
Revenues (Note 5)		
Geographic programs	17,982	19,320
Multilateral programs	9,449	29,739
Canadian Partnership	101	46
Policy Coherence	0	2
Engaging Canadians	6	1
Total Revenues	**27,538**	**49,108**
Net Cost of Operations	**3,013,614**	**2,984,072**

The accompanying notes form an integral part of these financial statements.

Canadian International Development Agency
Statement of Financial Position (unaudited)
as at March 31
(in thousands of dollars)

	2007	2006
Assets		
Financial assets		
Accounts receivable and advances (Note 6)	5,435	16,272
Loans to developing countries and international financial institutions (Note 7)	168,469	147,363
Investments and advances to international financial institutions (Note 8)	5,536,717	5,351,902
Allowance for valuation of investments and advances to international financial institutions (Note 8)	(5,536,717)	(5,351,902)
Canada Investment Fund for Africa (Note 9)	100,000	100,000
Total financial assets	**273,904**	**263,635**
Non-financial assets		
Prepaid expenses	105,267	99,246
Tangible capital assets (Note 10)	2,948	4,055
Total non-financial assets	**108,215**	**103,301**
Total	**382,119**	**366,936**
Liabilities		
Accounts payable and accrued liabilities	687,862	474,847
Vacation pay and compensatory leave	8,241	7,963
Notes payable to international financial institutions (Note 11)	115,873	169,263
Accrued liability for matching funds programs	154,201	199,473
Employee severance benefits (Note 12)	31,184	26,287
Other liabilities (Note 13)	5,815	922
Total liabilities	**1,003,176**	**878,755**
Equity of Canada	**(621,057)**	**(511,819)**
Total	**382,119**	**366,936**

Contingent liabilities (Note 14)
Contractual obligations (Note 15)

The accompanying notes form an integral part of these financial statements.

Canadian International Development Agency
Statement of Equity of Canada (unaudited)
as at March 31
(in thousands of dollars)

	2007	*2006*
Equity of Canada, beginning of year	**(511,819)**	**(1,025,462)**
Net cost of operations	(3,013,614)	(2,984,072)
Current year appropriations used (Note 3)	3,233,183	3,266,930
Revenue not available for spending	(12,085)	(15,506)
Change in net position in the Consolidated Revenue Fund (Note 3)	(336,368)	227,711
Services provided without charge by other government departments (Note 16)	19,646	18,580
Equity of Canada, end of year	**(621,057)**	**(511,819)**

The accompanying notes form an integral part of these financial statements.

Canadian International Development Agency
Statement of Cash Flow (unaudited)
for the year ended March 31
(in thousands of dollars)

	2007	*2006*
Operating activities		
Cash received from:		
Interest and service fees on loans	10,080	2,410
Other revenues	3,882	94
	13,962	2,504
Cash paid for:		
Transfer payments	(2,418,740)	(2,956,313)
Salaries and employee benefits	(157,054)	(150,927)
Operating and maintenance	(76,060)	(85,254)
	(2,651,854)	(3,192,494)
Cash used by operating activities	**(2,637,892)**	**(3,189,990)**
Investment activities		
Net acquisitions of capital assets	(450)	(505)
Decrease in loans	26,368	16,221
Increase in investments and advances	(247,489)	(279,767)
Increase in the Canada Investment Fund for Africa	(25,267)	(25,094)
Cash used for investment activities	**(246,838)**	**(289,145)**
Financing activities		
Net cash provided by Government of Canada	**2,884,730**	**3,479,135**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The Canadian International Development Agency (CIDA) is designated as a department for the purposes of the *Financial Administration Act* by *Order-in-Council P.C. 1968-923* of May 8, 1968. The authority for the CIDA program and related purposes is found in the *Department of Foreign Affairs and International Trade Act*, in the *Annual Appropriations Act* and in the *International Development (Financial Institutions) Assistance Act*. CIDA is the lead government organization responsible for Canada's Official Development Assistance (ODA).

The three goals of Canadian foreign policy are the promotion of prosperity, the protection of Canadians and global security, and the projection of Canadian values. CIDA's mandate is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. CIDA also has a mandate to support democratic development and economic liberalization in the countries in transition in Eastern Europe and the former Soviet Union. CIDA fulfills its mandate through five main business lines:

- The four geographic programs are responsible for country-to-country programs in Africa, Asia, Americas, and Europe, Middle East and Maghreb respectively, enabling the Government of Canada to plan and execute international cooperation activities through direct links with governments and organizations in developing countries.

- The Canadian Partnership Program is a responsive program that is aligned with CIDA's mandate and strategic objectives through its cost-sharing partnerships with civil-society and private sector organizations in Canada and developing countries. Multi-year funding is provided, on the basis of merit, to Canadian and international non-governmental organizations (NGOs) and volunteer-sending organizations. Project funding is also provided through competitive mechanisms within the context of either time-bound or open-ended competitions. In addition, a conference secretariat supports the participation of developing country delegates at international conferences.

- CIDA's multilateral programs are responsible for managing Canada's global development programs through substantial core contributions to multilateral development institutions. It also undertakes targeted programming through multilateral, international, and local organizations responsible for managing the International Humanitarian Assistance Program.

- Policy coherence leads policy research, analysis and development to support and guide the Agency's plans and priorities and Canada's broader international

assistance objectives and commitments. It ensures coherence and alignment between corporate and program priorities and ensures policy coherence between CIDA and other government departments that manage non-aid policies that could include, but are not limited to, international trade, investment, technology transfer, and immigration.

- By engaging Canadians, CIDA improves public awareness, education and engagement of Canadians in supporting Canada's involvement in international cooperation and development.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations
CIDA is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to CIDA do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government
CIDA operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by CIDA is deposited to the CRF and all cash disbursements made by CIDA are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund
Represents the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by CIDA. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues
Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues. CIDA's revenues mainly consist of foreign exchange gain on revaluation as well as interest and service fees on loans.

(e) Expenses
Expenses are recorded on the accrual basis. CIDA's expenses mainly consist of operating transactions, grants and contributions and foreign exchange loss on revaluation.

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants that do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Superannuation Plan, a multi-employer, defined benefit, pension plan administered by the Government of Canada. CIDA's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require CIDA to make contributions for any actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable and advances
Accounts receivable and advances are stated at amounts expected to be ultimately realized. An allowance is taken for receivables where recovery is considered uncertain.

(h) Loans to developing countries and international financial institutions (IFI)
Loans to developing countries and International Financial Institutions for international development assistance are recorded at cost and are adjusted to reflect the concessionary terms of those loans made on a long-term, low interest or interest-free basis. The

discount determined at the date of the issuance is amortized to revenue using a straight-line amortization. No new loans have been recorded by CIDA since April 1, 1986.

An allowance for valuation is further used to reduce the carrying value of the loans to amounts that approximate their net realizable value. The allowance is determined based on the Government's identification and evaluation of countries that have formally applied for debt relief, estimated probable losses that exist on the remaining portfolio, and changes in the economic conditions of sovereign debtors.

See note 7 for more details.

(i) Investments and advances to international financial institutions (IFI)
Investments and advances are recorded at their cost and are subject to annual valuation to reflect reductions from the recorded value to the estimated realizable value.

Investments
Investments consist of subscriptions to the share capital of a number of international financial institutions and are composed of both paid-in and callable capital. Subscriptions to international organizations do not provide a return on investment, but are repayable on termination of the organization or withdrawal from it. Paid-in capital is made through a combination of cash payments and the issuance of non-interest bearing, non-negotiable notes payable to the organization. Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow them to borrow on international capital markets to finance their lending program.

Advances
Advances are issued to international financial institutions that use these funds to issue loans to developing countries at concessionary terms.

For investments and advances to international financial institutions, an allowance is established based on their collectibility.

See note 8 for more details.

(j) Prepaid expenses
CIDA has the authority to make payments under the terms of a contribution agreement before the expenditures are incurred. The portion of a payment which is intended to cover expenses to be incurred in a subsequent fiscal year is recorded as prepaid expenses.

(k) Tangible capital assets
All tangible capital assets having an initial cost of $10,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the tangible capital asset as follows:

Asset Class	*Amortization period*
Communication equipment	3 years
Informatics equipment	5 years
Computer Software	3-5 years
Other equipment	5 years
Vehicles	5 years

(l) Notes payable to international financial institutions (IFI)
Notes payable to international financial institutions represent non-interest bearing, non-negotiable demand notes for share capital subscriptions and advances that are later presented for encashment according to the terms of the agreement.

(m) Contingent liabilities
Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(n) Foreign currency transactions
Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31. Gains and losses resulting from foreign currency transactions are included in the Statement of Operations.

(o) Measurement uncertainty
The preparation of these financial statements in accordance with Treasury Board accounting policies are consistent with Canadian generally accepted accounting principles for the public sector, which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are in determining the allowance for doubtful accounts, allowance for loans, the useful life of tangible capital assets, contingent liabilities and the liability for employee severance benefits. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

CIDA receives its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, CIDA has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used

	2007	*2006*
		(in thousands of dollars)
Net cost of operations	**3,013,614**	**2,984,072**
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Amortization of tangible capital assets	(1,557)	(1,668)
Bad debts expense	(9,284)	(1,233)
Justice Canada's legal fees	(596)	(545)
Services provided without charge	(19,646)	(18,580)
Refunds of prior years expenditures	10,912	13,863
Gains on foreign exchange	9,339	29,589
Other revenue	3,125	3,735
Prepaid expenses	4,779	(49,325)
Allowance for valuation of loans, investments and advances	117,472	83,767
Vacation pay and compensatory leave	(278)	916
Employee severance benefits	(4,897)	(1,727)
Contingent liability related to the *Budget Implementation Act, 2007*	(110,000)	0
	3,012,983	**3,042,864**
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Capital acquisitions and prepaid expenses	1,688	1,980
Advances / subscriptions to International Financial Institutions	193,245	196,992
Payments to the Canada Investment Fund for Africa	25,267	25,094
Current year appropriations used	**3,233,183**	**3,266,930**

(b) Appropriations provided and used

	2007	*2006*
	(in thousands of dollars)	
Appropriations provided		
Budgetary		
Vote 30 (15) - Operating expenditures	218,202	212,582
Vote 35 (20) - Grants and contributions	2,472,339	2,451,926
Statutory amounts	429,568	619,241
Total Budgetary	**3,120,109**	**3,283,749**
Non-Budgetary		
Vote L40 (L25) - Issuance of notes to the Fund Accounts	189,922	193,500
Vote L45 (L30) - Issuance of notes for Capital Subscriptions	3,324	4,600
Vote L50 (L35) - Contribution to the Canada Investment Fund for Africa	74,906	45,000
Statutory amounts	8,077,389	8,152,775
Total Non-Budgetary	**8,345,541**	**8,395,875**
Total appropriations provided	**11,465,650**	**11,679,624**
Less:		
Appropriations available for future years	(8,077,390)	(8,152,783)
Lapsed appropriations: Operating	(12,807)	(2,898)
Lapsed appropriations: Grants and contributions	(92,624)	(235,999)
Statutory appropriations lapsed	(7)	0
Lapsed non-budgetary appropriations	(49,639)	(21,014)
Current year appropriations used	**3,233,183**	**3,266,930**

Note: Vote numbers of 2005-06 corresponding to the equivalent Vote numbers of 2006-07 are presented in brackets.

Note: Of the $12,8M lapsed appropriations for operating expenses, $0,8 M was in Treasury Board frozen allotments and the Agency should be able, pending TB approval, to carry forward $10,5 M of this authority to 2007-08. Of the $92,6M lapsed appropriations for grants and contributions, $92M were in Treasury Board frozen allotments.

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2007	*2006*
		(in thousands of dollars)
Net cash provided by Government	2,884,730	3,479,135
Revenue not available for spending	12,085	15,506
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	10,837	(1,237)
Variation in accounts payable and accrued liabilities	103,015	(462,694)
Allowances related to loans, investments and advances to developing countries and international financial institutions	234,854	245,643
Other adjustments	(12,338)	(9,423)
	336,368	(227,711)
Current year appropriations used	**3,233,183**	**3,266,930**

4. Expenses

The following table presents details of expenses by category:

	2007	*2006*
	(in thousands of dollars)	
Transfer payments		
Other countries and international organizations	2,769,645	2,750,678
Operating		
Salaries and employee benefits	172,150	160,076
Professional and special services	44,690	50,749
Travel and relocation	16,948	18,019
Rentals	10,619	10,609
Loss on foreign exchange	9,311	30,209
Bad debts	9,284	1,233
Repair and maintenance	3,743	3,460
Machinery and equipment	1,879	2,597
Amortization of tangible capital assets	1,557	1,668
Other	1,326	3,882
Total operating expenses	271,507	282,502
Total Expenses	**3,041,152**	**3,033,180**

5. Revenues

The following table presents details of revenues by category:

	2007	*2006*
	(in thousands of dollars)	
Amortization of discount on loans	(15,074)	(15,778)
Gains on foreign exchange	(9,339)	(29,589)
Interest and service fees on loans	(2,579)	(2,718)
Other revenue	(546)	(1,023)
Total Revenues	**(27,538)**	**(49,108)**

6. Accounts receivable and advances

Accounts receivable and advances for CIDA consist mainly of:

- Recovery of an amount where the recipient has not complied with the terms and conditions of the contribution agreement for which a payment has been made.
- Recovery of salary for CIDA's employees on secondment in another department or in a private organization.

The following table presents details of accounts receivable and advances:

	2007	*2006*
	(in thousands of dollars)	
Interest and service fees on loans	6,669	8,286
Receivables from other Federal Government departments and agencies	3,301	1,750
Receivables from external parties	9,070	12,176
Accountable and standing advances	70	131
	19,110	22,343
Less: Allowance for doubtful accounts on external receivables	(13,675)	(6,071)
Total	**5,435**	**16,272**

7. Loans to developing countries and international financial institutions

The following table presents details of loans to developing countries and international financial institutions:

	2007	*2006*
	(in thousands of dollars)	
(a) Rescheduled as per agreement with Government of Egypt in August 1992, Phase III of reorganization schedule. Next principal repayment due January 1, 2017:		
Egypt	44,996	44,996
(b) 30 year term, 7 year grace period, 3 percent interest per annum, with final repayments between September 1996 and January 2012:		
Brazil	0	1,757
Cuba	9,547	9,547
(c) 40 year term, 10 year grace period, non-interest bearing, with the final repayment in March 2007:		
Thailand	0	28
(d) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:		
African Development Bank	1,719	1,844
Algeria	7,228	8,841
Andean Development Corporation	2,063	2,188
Argentina	187	205
Bolivia	636	678
Brazil	251	272
Central American Bank for Economic Integration	803	841
Chile	1,030	1,079
Colombia	289	316
Dominican Republic	3,887	4,214
Ecuador	4,457	4,762
Guatemala	2,031	2,081
Indonesia	195,918	205,197

Malaysia	1,546	1,609
Malta	425	450
Mexico	28	30
Morocco	8,087	8,380
Myanmar (Burma)	8,306	8,306
Pakistan	447,508	447,508
Paraguay	200	220
Peru	41	45
Philippines	1,743	1,841
Sri Lanka	92,118	97,051
Thailand	18,787	19,634
Tunisia	56,830	58,478
(e) 53 year term, 13 year grace period, non-interest bearing, with the final repayment in September 2025:		
Algeria	20,544	25,174
Subtotal	**931,205**	**957,572**
Less:		
Unamortized discount	(607,848)	(622,921)
Subtotal	**323,357**	**334,651**
Less:		
Allowance for valuation	(154,888)	(187,288)
Total	**168,469**	**147,363**

Note: Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

8. Investments and advances to international financial institutions

The following table presents details of investments and advances to international financial institutions:

	2007	*2006*
	(in thousands of dollars)	
Investments		
African Development Bank	115,240	112,543
Asian Development Bank	178,975	180,687
Caribbean Development Bank	21,916	22,098
Inter-American Development Bank	207,534	209,904
	523,665	**525,232**
Advances		
African Development Fund	1,836,154	1,748,313
Asian Development Bank-Special	27,027	27,027
Asian Development Fund	1,868,753	1,817,102
Caribbean Development Bank-Agricultural Development Fund	2,000	2,000
Caribbean Development Bank-Commonwealth Caribbean Regional	4,618	4,672
Caribbean Development Bank-Special	188,956	175,539
Global Environment Facility Trust Fund	392,140	382,989
Inter-American Development Bank-Fund for Special Operations	361,200	362,740
Multilateral Investment Fund	20,857	11,388
International Bank for Reconstruction and Development	23,092	23,360
International Fund for Agriculture Development	204,532	192,107
International Monetary Fund	12,665	12,812
Montreal Protocol Fund	71,058	66,621
	5,013,052	**4,826,670**
Subtotal investments and advances	**5,536,717**	**5,351,902**
Less:		
Allowance for valuation	(5,536,717)	(5,351,902)
Total	**0**	**0**

9. Canada Investment Fund for Africa (CIFA)

The CIFA is a joint public-private sector initiative designed to provide risk capital for private investments in Africa that generate growth. The CIFA is a direct response to the New Partnership for Africa's Development (NEPAD) and the G8 Africa Action Plan. The main objectives of the CIFA are to optimize public-private investment in the Fund, to confer a beneficial development impact on Africa by way of increased foreign direct investment and to optimize the beneficial impact of the Fund's activities on Canadian interests.

The Government of Canada is a limited partner in the CIFA and its commitment towards the Fund is subject to matching funds of other investors and shall be equal to the lesser of: (i) $100 million and (ii) the aggregated commitments of all other limited partners of the partnership.

The following table presents details of the Canada Investment Fund for Africa:

	2007	*2006*
	(in thousands of dollars)	
Cumulated payments as at March 31	53,327	25,094
Cumulated returns of capital as at March 31	(2,966)	0
Accrued liability as at March 31	49,639	59,586
Contingent liability as at March 31 (Note 14)	0	15,320
Total	**100,000**	**100,000**

10. Tangible Capital Assets

(in thousands of dollars)

	Cost				Accumulated amortization					
Capital asset class	**Opening balance**	**Acquisitions**	**Disposals & write-offs**	**Closing balance**	**Opening balance**	**Amortization**	**Disposals & write-offs**	**Closing balance**	**2007 Net book value**	**2006 Net book value**
Communication Equipment	623	0		623	623	0		623	0	0
Informatic Equipment	10,177	384		10,561	7,023	1,247		8,270	2,291	3,154
Computer Software	51	0		51	8	10		18	33	43
Other Equipment	1,367	35		1,402	547	284		831	571	820
Vehicles	83	31		114	45	16		61	53	38
Total	**12,301**	**450**	**0**	**12,751**	**8,246**	**1,557**	**0**	**9,803**	**2,948**	**4,055**

Amortization expense for the year ended March 31, 2007 is $1,557 (2006 - $1,668).

11. Notes payable to international financial institutions

The following table presents details of notes payable to international financial institutions:

	2007	*2006*
	(in thousands of dollars)	
Investments		
Caribbean Development Bank	**7,774**	**7,802**
Advances		
Asian Development Fund	19,195	63,316
Caribbean Development Bank-Special	46,475	49,573
Global Environment Facility Trust Fund	32,960	48,572
Multilateral Investment Fund	9,469	0
Subtotal	**108,099**	**161,461**
Total	**115,873**	**169,263**

During the year, there were $189,921,644 in note issuances ($197,937,101 in 2006) and $247,488,547 in note encashments ($279,767,172 in 2006).

12. Employee Benefits

(a) Pension benefits: CIDA's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with the Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2006-07 expense amounts to $16,134,095 ($16,591,246 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

CIDA's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: CIDA provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	*2006*
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	26,287	24,560
Expense for the year	8,318	5,528
Benefits paid during the year	(3,421)	(3,801)
Accrued benefit obligation, end of year	31,184	26,287

13. Other liabilities

Other liabilities consist of funds received from external organizations for a specified purpose to be administered by CIDA on their behalf.

In 2006-07, the main such liability administered by CIDA was a contribution received from the Government of the Netherlands, acting through the Netherlands Minister for Development Cooperation, to provide significant resources to the education sector in Nicaragua.

The following table presents details of the movement in the other liabilities balance during the year:

April 1, 2006	*Receipts*	*Disbursements*	*March 31, 2007*
	(in thousands of dollars)		
922	6,712	1,819	5,815

14. Contingent liabilities

Contingent liabilities for CIDA can be classified into four categories: callable share capital in certain international organizations, liability relating to the *Budget Implementation Act, 2007*, pending and threatened litigation cases and liability relating to the Canada Investment Fund for Africa.

CIDA detains callable share capital in certain international organizations that could require future payments to those organizations. Callable share capital is composed of resources that are not paid to the organizations but act as a guarantee to allow them to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the organizations, would only be utilized in extreme circumstances to repay unrecoverable loans, should the organization's reserves not be sufficient. As at March 31, 2007, the callable share capital is valued at $8 billion and no provision was recorded for this amount.

The *Budget Implementation Act, 2007* (Bill C-52) grants CIDA authorities to pay $90 million to the World Bank for the Afghanistan Reconstruction Trust Fund in respect of development assistance for Afghanistan, and to pay $20 million to the United Nations for use in UN Mine Action Service activities in Afghanistan. Bill C-52 has not yet received Royal Assent at the House of Commons. It is expected that Bill C-52 will receive Roval Assent before the tabling of the Departmental Performance Report containing these financial statements in the fall of 2007. As a result CIDA has recorded a contingent liability of $110 million for these transfer payments as at March 31, 2007.

CIDA is a defendant in certain pending and threatened litigation cases which arose in the normal course of operations. Legal proceedings for claims totalling approximately $2 million ($7 million in 2006) were still pending at March 31, 2007. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

Pursuant to Section 3 of the *Canada Fund for Africa Act*, CIDA signed a subscription agreement to invest in the Canada Investment Fund for Africa L.P.. As per this agreement, Canada's commitment to the Fund is subject to matching funds of other investors and shall be equal to the lesser of: (i) $100 million and (ii) the aggregated commitments of all other limited partners of the partnership. At March 31, 2006, due to the timing of other limited partners' commitments shortly after year-end, CIDA had inherited of a contingent liability amounting to $15 million. This contingent liability then became an actual liability in 2006-07.

15. Contractual obligations

The nature of CIDA's activities results in some large multi-year contracts and obligations whereby CIDA will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2008	2009	2010	2011	2012 and thereafter	Total
Transfer Payments	1,412,002	749,476	404,993	142,126	115,318	2,823,915
Professional services	6,974	266	33	0	41	7,314
Operating Leases	233	41	30	37	0	341
Encashment of notes by International Financial Institutions	177,618	88,772	6,317	6,317	3,165	282,189
Total	**1,596,827**	**838,555**	**411,373**	**148,480**	**118,524**	**3,113,759**

16. Related party transactions

CIDA is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. CIDA enters into transactions with these entities in the normal course of business and on normal trade terms. Throughout the year, the department received services that were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge:

During the year, CIDA received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in CIDA's Statement of Operations as follows:

	2007	*2006*
	(in thousands of dollars)	
Accommodation	8,183	8,083
Employer's contribution to the health and dental insurance plans	10,629	10,020
Legal services	834	477
Total	**19,646**	**18,580**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of some of these services, notably the payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in CIDA's Statement of Operations.

(b) Payables and receivables outstanding at year-end with related parties:

	2007	*2006*
	(in thousands of dollars)	
Accounts receivable with other government departments	3,301	1,750
Accounts payable with other government departments	9,224	8,108

17. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

Annex 3: Response to Parliamentary Committees, Audits and Evaluations

Response to Parliamentary Committees

Below is the list of responses to Parliamentary Committee reports that involved CIDA and that were tabled in the House of Commons for the 2006-2007 fiscal year:

- In September 2006, the Standing Committee for Foreign Affairs and International Development tabled Report 2: *Darfur* (adopted by the Committee on June 21, 2006 and presented to the House on September 20, 2006)
  CIDA was consulted on the preparation of the Government Response that was presented to the House on January 17, 2007.

- In December 2006, the Standing Committee for Foreign Affairs and International Development tabled Report 4: *Canada's International Policy put to the test in Haiti* (adopted by the Committee on December 12, 2006, and presented to the House on December 13, 2006)
  CIDA was consulted on the preparation of the Government Response that was presented to the House on April 16, 2007.

Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (OAG/CESD)

CIDA provided progress reports to three OAG/CESD recommendations contained in CIDA's Development Assistance and the Environment Chapter of 2004 in addition to the two recommendations contained in CIDA – Financial Compliance Audits and Managing Contracts and Contributions of 2005.

Audits and Evaluations

The following is a list of audits, evaluations and reviews that CIDA completed in 2006-2007:

Audits[17]:

- Audit of the Bangladesh Country Program
- Audit of the Iraq Country Program
- Audit of the Senegal Country Program
- Audit of the Canada Fund for Local Initiatives
- Audit of Administrative Arrangements
- Audit of the Financial Compliance Unit.

[17] Audits are available at http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/EMA-218131243-PLN

Evaluations[18]:

Completed Corporate and Program-level Evaluations

- Review of Evidence of the Development Effectiveness of CIDA's Grants and Contributions
- Review of the Afghanistan Program
- Evaluation of WHO's contribution to the "3X5" Initiative
- Evaluation of the Pakistan Country Program
- Evaluation of the NetCorps Canada International Program
- Evaluation of Canada Corps University Partnership Program and Students for Development

Multi-donor Evaluations

- Peer Review of the Evaluation function at UNICEF
- Joint Evaluation of General Budget Support

[18] Evaluations are available at
http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/NIC-316104532-LGZ

Annex 4: Sustainable Development Strategy

CIDA embraces a vision of sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development challenges are unique to each country, so no single "common" approach can be followed. Throughout its projects, programs and policies, CIDA ensures that the principles of sustainable development are effectively incorporated into its development work.

Points to Address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	CIDA has established four core objectives: • Support equitable economic development; • Support social development, with particular emphasis on people living in poverty; • Support environment and natural resources management; and • Support progress in democratic governance and human rights.
2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes?	• CIDA's operations, which integrate sustainable development, are framed by the Agency's new PAA and support CIDA's goal of "reduced poverty, promotion of human rights, and increased sustainable development". • Sustainable development objectives support this goal. • In line with the federal government's commitment to more effective use of Canadian aid, this new framework enables clearer accountability for results.
3. What were your targets for the reporting period?	• CIDA's strategic outcomes are the long-term impacts the Agency aims to achieve in partner countries – continued support for the achievement of sustainable development results, within identified selected initiatives and/or among other relevant/similar initiatives.
4. What is your progress (this includes outcomes achieved in relation to objectives and progress on targets) to date?	• This fourth SDS builds upon progress achieved since CIDA's third strategy: SDS 2004–2006: Enabling Change (SDS3). • As a learning organization, CIDA continues to benefit from its experience and incorporates into its programming the findings of audits, evaluations, and related assessments of projects, programs, sectors, and institutions. This SDS builds upon such lessons and the many changes that the Agency has made since SDS3. • SDS3 elaborated on CIDA's sector-based results, which showed the relationship between CIDA's mandate and the

	MDGs.
	• Examples of performances of SDS3 include:
	  ○ In Senegal, support to a savings and credit network, which involves more than 150,000 members, most of whom are women, profited from loans totalling $142 million over the life of the project.
	  ○ In fall 2004, Canada's quick response to a polio outbreak in Nigeria that threatened the entire region helped enable 1 million vaccinators in 23 countries to immunize 80 million children under the age of five, thereby containing the outbreak.
	  ○ In Bosnia and Herzegovina, efforts have been made to introduce alternative dispute resolution methods (i.e. mediation), which are expected to help increase court efficiency and reduce case backlog.
	  ○ CIDA support to the Ombudsman in Peru is enabling it to review and advise on an increasing number of cases of environmental conflicts between local communities, and the mining and hydrocarbon industries.
	• Throughout much of 2006, CIDA undertook consultations for the preparation of SDS4, which took effect in January 2007.
	• The Agency supports initiatives profiled by the framework of SDS4. Results will be presented accordingly in subsequent reporting periods.

5. What adjustments have you made, if any? (To better set the context for this information, discuss how lessons learned have influenced your adjustments.)	• In terms of areas for improvement under SDS4, the SDS3 had too many individual indicators to be able to highlight and draw on specific best practices in sustainability. SDS3 could have done more to recognize the significant role of our partners in achieving planned results. Finally, other corporate tools and frameworks have superseded the role that the SDS3 served as an overarching framework for the Agency's work. • CIDA's SDS recognizes aid effectiveness principles by including the leadership role of developing countries themselves, mutual accountability, the need for a more effective sectoral and geographic focus, and the significance of greater donor and development policy coherence and coordination in the SDS. • This SDS focuses on what CIDA believes are best practices in international development at the policy, program, and investment level that are leading, or are likely to lead, to

	sustainable development results. • In the development of SDS4, CIDA took into account the need for consistency with other corporate documents as well as enough flexibility to accommodate developing countries self-identified priorities. • CIDA has integrated lessons of experience on aid effectiveness and successes in development in all programming channels—bilateral, multilateral, and partnership. Implementing these lessons in all countries and initiatives will facilitate greater sustainability in CIDA's work.

Annex 5: Procurement and Contracting

Points to Address	Departmental Input
1. Role played by procurement and contracting in delivering programs	Procurement and contracting play an important role in helping to fulfill CIDA's mandate as the lead federal government agency responsible for delivering Canada's Official Development Assistance and Official Assistance. CIDA operates with two Parliamentary Code Votes: Vote 30 for operating funds and Vote 35 for grants and contributions. Most of CIDA's investments are disbursed through grants and contribution agreements with a wide variety of partners. For grants and contributions, the TB's Transfer Payment Policy applies. In addition, CIDA has specific terms and conditions approved by TB. The role of the contracting function in each of the Agency's branches is to ensure compliance with these programming and contracting authorities. A portion of the aid budget is also programmed through contracting activities, largely for services. In such cases, the Government of Canada's contracting regulations apply, and procurement staff in each branch work according to these rules and authorities when contracting services.
2. Overview of how the Agency manages its contracting function	In 2006–2007, CIDA issued 986 grants and contributions worth slightly more than $2 billion. The Agency also signed 2,714 contracts and agreements worth $291 million. The contracts function is decentralized at CIDA, with procurement personnel operating in each program branch. These contracts officers are part of program/project teams. The functional lead for the Agency is the Contracting Management Division (CMD) of the Human Resources and Corporate Services Branch. The Policy Section in the Division develops common contracting tools and templates, publishes guides, etc. For competitive contracting under the contracting regulations, CMD also has a centrally run Bid Receiving Unit to post and receive tender documents. The Director General of CMD chairs the Evaluation Review Board and, along with the Director General of Finance and a representative from Legal Services, reviews all competitive tender decisions of more than $500,000.

3. Progress and new initiatives enabling effective and efficient procurement practices	During 2006–2007, CMD: a) Participated as the co-chair of the Joint Venture on Procurement of the Working Party on Aid Effectiveness of the OECD in the development of the Benchmarking and Assessment Tool; This Tool is now being tested in 21 pilot countries. b) Maintained and reviewed the content of the courses offered under the Corporate Contracting Learning Program; c) Implemented the work plan for the Monitoring unit; drafted the plan and framework for the contract compliance and performance monitoring function; d) completed, in collaboration with Legal Services, the development of intellectual property rights' clauses; e) Prepared the business case included in the Annual Reference Level Update to repatriate the consultant database from Public Works and Government Services Canada (PWGSC) for Low Dollar Value contracts; f) Worked on the repatriation of the CIDA consultant database for Low Dollar Value contracts from PWGSC; g) Created a Guide for the management of Low Dollar Value Contracts; h) Created Categories and Criteria for searches in the Consultants Database; i) Worked on the USA PATRIOT Act and Transborder data flows to comply with TB guidelines; j) Finalized a new Guide to Debriefing Bidders; k) Developed a Mandatory Checklist of Documents for the Evaluation Review Board; l) Created a list of Executing Agencies Managing CIDA Fellows; m) Developed a Memorandum to Executing Agencies Managing CIDA Fellows; n) Developed a Contracting Guide for Managers in CIDA (revised in Dec. 06 and May 07); o) Updated thresholds for the World Trade Organization-Agreement on Government Procurement and the North American Free Trade Agreement.

Annex 6: Client-Centred Service

CIDA's service standards have been in place for several years. Over the past year, CIDA has concentrated on improving services to the Canadian public in the following priority areas:

- CIDA's website;
- Public Inquiries Service (via e-mail and telephone);

(1) Service	(2) Service Standards by Type	(3) Performance against Service Standards	(4) Client Satisfaction Scores	(5) Common Measurements Tool Used (Y/N)	(6) Responding to Results	(7) Planning to address missing elements
2	Timeliness access and accuracy 2 for each of these standards	2	2	0	See comments below for each service	Not applicable

(6) Responding to Results

CIDA's website / Government On-Line

In May 2006, based on a consultant report and user survey, CIDA launched its new Internet website after an extensive 18 month redesign project involving all of CIDA's branches. The last phase of the project, involved the following:

- The existing content of the newly designed website was revised or deleted.
- New content was written, revised, translated and added to the site.
- Extensive quality control of all content, including links, was performed.
- Metadata was added and checked.
- Final technical adjustments were made to the infrastructure, to the customized content management/web publishing tool and to the database.
- The site was launched on time on May 6, 2006.

The focus during the rest of the fiscal year has been on the following:

- Publishing branch and Agency material on the site, including adding and rearranging content on the Afghanistan subsite to better showcase the work of the Afghanistan Task Force.

- Redesigning the front page of the site to give better emphasis to selected aspects of the Agency's work.
- Editing CIDA's Web Publishing Standards and Guidelines to ensure that documents continue to be displayed in an easily-navigated format using standard terminology.
- Configuring the software application WebTrends in order to gather statistics on the usage of the site.
- Investigating the feasibility of providing more multimedia on the website.

Work was also started on analysing the work requirements of TB's directive to move towards the upgraded Common Look and Feel Standards for the Internet, Version 2.0 that must be in place on all Government of Canada websites by December 31, 2008.

New tools have been put in place to permit improved tracking and measurement of web users.

Public Inquiries Service (via e-mail and telephone)

In 2006-2007, most requests for information received by CIDA's Public Inquiries Service were made by e-mail and by telephone. However, e-mail remained the most popular means of communicating with the Service. The number of e-mail requests received annually has more than doubled in five years time, to 21,070. The Information Officers received 9,223 telephone inquiries in 2006-2007. Inquiries were also received by regular mail, facsimile, and in person, but their numbers were comparatively low.

The service standard for responding to information requests is 24 to 48 hours. This target was usually met, but the method used to statistically verify performance has not always been reliable.

More complex inquiries entail research and can take more than 48 hours to complete. In such cases, clients were informed and a mutually acceptable timeframe was negotiated. Although the Service's Information Officers answered the majority of public inquiries, a number were referred to CIDA program or policy staff. In such cases, follow up was not always possible because of limited resources.

CIDA's Public Inquiries Service is structured to enable the Agency to respond to crises. The Service's schedule is flexible and can be adapted to longer hours of operation. A contingency plan is also in place to enable CIDA's main telephone reception (also part of the Public Inquiries Service) to function off-site in the event that the CIDA headquarters building is inaccessible.

The Public Inquiries Service records all comments related to the quality of service. In 2006-07, 312 messages of praise were documented, although no formal measurement tool exists to gauge public satisfaction.

SECTION IV: OTHER ITEMS OF INTEREST

Annex 7: CIDA's Organizational Chart

Annex 8: CIDA's Aid Effectiveness Agenda

Aid Effectiveness:
A Four-Part CIDA Agenda
Principles-driven
• Compassion for the less fortunate
• Freedom, democracy, human rights and the rule of law
What makes aid work?
Partner Countries
• Political will/leadership, with public engagement
• Open and transparent governance
• Sound policies, and effective, accountable institutions
• A balance of state, civil society, private sector
Donors
• Alignment with host-country priorities and systems
• Improved donor coordination and harmonization
• Policy dialogue, innovation, joint financing
• Enhanced policy coherence
Jointly
• Constancy and clarity of purpose
• A long-term, comprehensive approach to programming
• Focused support for enhanced performance of country systems
• Management for results based on mutual accountability
1. STRATEGIC FOCUS
Careful choices in a complex world on countries and sectors where Canada can make the most difference
2. STRENGTHENED PROGRAM DELIVERY
Aid effectiveness reforms incorporated across country programs and delivery channels
3. EFFECTIVE USE OF RESOURCES
Greater value for money through programming and operational efficiencies
4. CLEAR ACCOUNTABILITY FOR RESULTS
Strengthened performance measurement and reporting
AID EFFECTIVENESS

Annex 9 : CIDA's Program Activity Architecture

Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well-being, social development, environmental sustainability, and governance. (Note: A new PAA has been approved in 2006 for implementation as of April 1, 2007).

Geographic Programs

Description: Four geographic branches, responsible for country-to-country programs in Africa, Asia, Americas, and Europe, the Middle East and Maghreb respectively, enable the Government of Canada to plan and execute international cooperation activities through direct links with governments and organizations in developing countries.

Expected Results: Canada's bilateral development assistance efforts have an impact on the achievement of the MDGs, as part of a worldwide collaborative effort of donors and partner countries.

Resources:

Human resources, 2006–2007	Financial resources, 2006–2007
889 FTEs	$1,588,475,777

Canadian Partnership

Description: The Canadian Partnership Program is a responsive program that is aligned with CIDA's mandate and strategic objectives through its cost-sharing partnerships with civil-society and private sector organizations in Canada and developing countries. Multi-year funding is provided, on the basis of merit, to Canadian and international NGOs and volunteer-sending organizations. Project funding is also provided through competitive mechanisms within the context of either time-bound or open-ended competitions. In addition, a conference secretariat supports the participation of developing country delegates at international conferences.

Expected Results: Canada's development assistance, through voluntary and private sector partnerships, contributes to the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Resources:

Human resources, 2006–2007	Financial resources, 2006–2007
203 FTEs	$273,413,338

Multilateral Programs

Description: CIDA's multilateral programs are responsible for managing Canada's global development programs through substantial core contributions to multilateral development institutions. It also undertakes targeted programming through multilateral, international, and local organizations responsible for managing the International Humanitarian Assistance Program.

Expected Results: Canada's development assistance, through multilateral development institutions and other partners, contributes to the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Resources:

Human resources, 2006–2007	Financial resources, 2006–2007
164 FTEs	$1,084,080,278

Policy Coherence

Description: Functions under this program activity include leading policy research, analysis and development to support and guide the Agency's plans and priorities and Canada's broader international assistance objectives and commitments. They also ensure coherence and alignment between corporate and program priorities and ensure policy coherence between CIDA and other government departments that manage non-aid policies that could include, but are not limited to, international trade, investment, technology transfer, and immigration. (Note: CIDA's Policy Coherence activities include strategic planning functions and involve all program branches as well as Policy Branch.).

Expected Results: The Agency is able to improve policy-based programming and increased policy coherence with its partners, as part of a worldwide effort to achieve the MDGs.

Resources:

Human resources, 2006–2007	Financial resources, 2006–2007
393 FTEs	$64,035,753

Engaging Canadians

Description: This program activity seeks to improve public awareness, education and engagement of Canadians in supporting Canada's involvement in international cooperation and development.

Expected Results: Engaging Canadians will lead to improved understanding and support of international development and cooperation issues, improved perception of the value, efficiency, and effectiveness of the aid programs, and increased strategic collaboration between CIDA and partners to engage the Canadian public in development.

Resources:

Human resources, 2006–2007	Financial resources 2006–2007
22 FTEs	$33,256,495

Corporate Services

Description: Corporate services comprise the management functions that support delivery and improve performance of the Canadian aid program. They include communications, people and financial management, performance and knowledge management (internal audit, evaluation, and results-based and risk management), information management/information technology, strategic planning and resource allocation, and management processes, approaches, and support activities.

Note: Both financial and human resource requirements for 2006–2007 have been incorporated as part of the requirements of the other programs and activities, as required by the TBS.

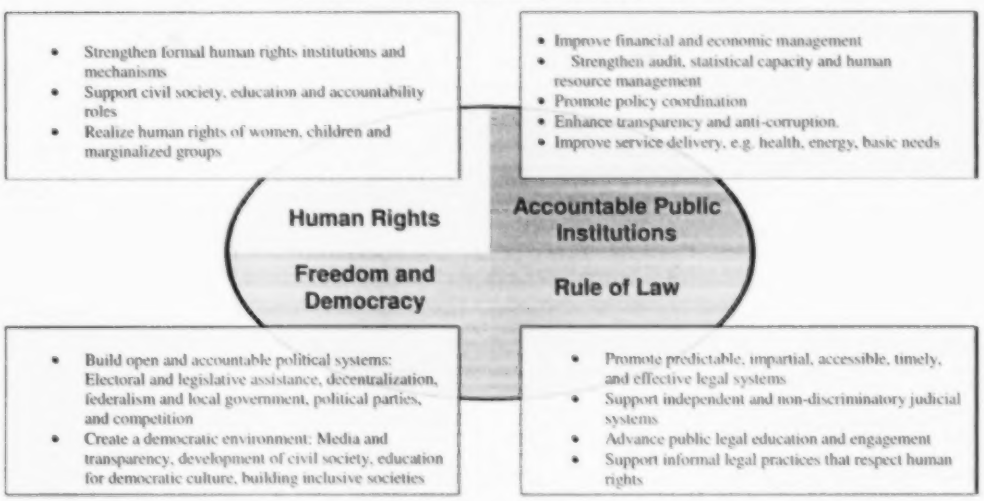
Annex 10: CIDA and Democratic Governance

CIDA and Democratic Governance

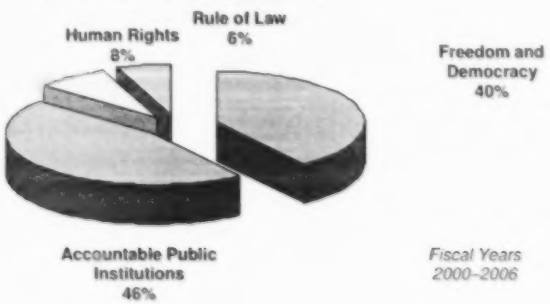
Democratic Governance

Democratic governance is essential for poverty reduction and long-term sustainable development. CIDA's work in this area aims to make states more effective in tackling poverty by enhancing the degree to which all people, particularly the poor and the marginalized, can influence policy and improve their livelihoods.

Elements of Democratic Governance


• Strengthen formal human rights institutions and mechanisms
• Support civil society, education and accountability roles
• Realize human rights of women, children and marginalized groups
• Improve financial and economic management
• Strengthen audit, statistical capacity and human resource management
• Promote policy coordination
• Enhance transparency and anti-corruption.
• Improve service delivery, e.g. health, energy, basic needs
Human Rights
Accountable Public Institutions
Freedom and Democracy
Rule of Law
• Build open and accountable political systems: Electoral and legislative assistance, decentralization, federalism and local government, political parties, and competition
• Create a democratic environment: Media and transparency, development of civil society, education for democratic culture, building inclusive societies
• Promote predictable, impartial, accessible, timely, and effective legal systems
• Support independent and non-discriminatory judicial systems
• Advance public legal education and engagement
• Support informal legal practices that respect human rights

Disbursements by Sectors



A Sample of CIDA Projects/Programs

Freedom and Democracy

- ***Africa:*** The Africa Local Governance Program helped strengthen local governance policy by promoting participatory economic planning and budgeting, revenue generation, service delivery and feedback mechanisms in targeted communities.
- ***Africa:*** CIDA supported the World Bank Institute's Honest and Capable States in Africa initiative, which involved media development, parliamentary oversight, judicial reform and local governance capacity building.
- ***Democratic Republic of Congo:*** CIDA contributed to the electoral process in this country by supporting an independent electoral commission and civic education, and by extending assistance to African and Canadian electoral observers.
- ***Ghana:*** The Research and Advocacy Project supported the ability of civil society organizations to engage with government and provide policy input grounded in evidence-based research.
- ***Kenya:*** The Democratic Governance Project promoted a culture of collective responsibility by developing civic education curricula for schools and training law enforcement and judicial personnel on human rights and good governance.
- ***Haiti:*** CIDA helped establish 9,209 voting centres and register 3.5 million voters for the 2006 elections, contributing to highest voter participation rates in the history of Haiti. A complementary project promoted free and fair reporting by training journalists on media coverage during and after elections.
- ***Afghanistan:*** In preparation for the 2005 elections, CIDA helped establish 5,000 polling centres and registered 13.5 million voters, 41% of whom were women.
- ***Cambodia and Beyond:*** The Cambodia-Canada Legislative Support Project helped promote a culture and practice of democracy by strengthening Cambodia's legislative capacity. Similar projects led by the Parliamentary Centre of Canada were implemented across Africa and in the Balkans and Haiti.
- ***Pakistan:*** The Women's Participation in Local Government Elections Project mobilized 157,000 women candidates as part of a wider effort to increase women's participation in decisions and the decentralization of policy making.
- ***Bosnia and Herzegovina:*** Helped build a more open and pluralistic media by strengthening journalistic reporting, as well as the management and marketing capacity of electronic media broadcasting networks.
- ***Egypt:*** The Participatory Development Facility provided technical assistance and guidance to civil society and institutions in Egypt to improve their ability to deliver gender-sensitive programs that respect human rights.
- ***Ukraine:*** The Building Democracy project fostered a greater understanding and an enduring commitment to the values of democratic governance, the rule of law, and civil society.
- ***International Institute for Democracy and Electoral Assistance:*** CIDA provided core support to the institute enabling its work to build an Electoral Knowledge Network, advance international norms, and improve the professionalism of those engaged in electoral and democratization activities.

Human Rights

- ***Zimbabwe:*** The Rights, Democracy and Governance Fund supported local Zimbabwean civil society organizations promote and protect human rights, good governance, and democratic development within a fragile-state context.
- ***Americas:*** The Dissemination of International Law Project promoted the instruction of International Humanitarian Law as part of standard military training in 12 South American countries.
- ***Bolivia:*** The Institutional Support to the Defensor del Pueblo Project helped an independent national ombudsperson mechanism effectively monitor, defend, and promote the fulfilment of human rights by the state.
- ***Colombia:*** CIDA provided assistance to the Colombia Office of the High Commissioner for Human Rights and worked closely with other donors in the field to support its mandate and encourage the implementation of its recommendations.
- ***Cambodia, China, Kenya, Tanzania, Uganda, and Vietnam:*** CIDA's support to the Canadian Bar Association helped advance human rights, especially those of women, children, and the disabled; provide legal training; and advocate law reform in these countries.
- ***Indonesia:*** The Komnas Ham Institutional Strengthening project worked to enhance the capacity of the Indonesian National Human Rights Commission to promote, protect and advance human rights.
- ***Sri Lanka:*** The Child Rights Project strengthened the ability of non-governmental organizations to use a human-rights-based approach to promote and protect the rights of children in especially difficult circumstances.
- ***Southeast Asia region:*** The Support to Implementation of the Convention on the Elimination of Discrimination Against Women (CEDAW) Project worked to promote and protect women's rights in Southeast Asia through strengthened CEDAW implementation at the regional and national levels.
- ***Global:*** CIDA's long-term support to the International Centre for Human Rights Education (Equitas) enabled the training of more than 1,300 human rights advocates and trainers in 75 countries.

Accountable Public Institutions

- ***Africa:*** The African Public Sector Capacity Building Program helped strengthen economic policy analysis, monitoring of national statistics, financial management and accountability, and tax policy reforms in more than twenty countries.
- ***Africa:*** Through African Parliamentarians Network Against Corruption, the African chapter of the Canadian-initiated Global Organization of Parliamentarians Against Corruption, CIDA supported efforts to increase the ability of African parliamentarians fight corruption.
- ***Malawi:*** The Project for Economic Governance increased participation in public-expenditure decision making.
- ***Americas***: CIDA promoted the implementation of the Inter-American Convention Against Corruption through the Organization of American States.
- ***Nicaragua:*** The Transparency in Procurement Project supported a multidonor effort to improve transparency, efficiency, and effectiveness in the Government of Nicaragua's procurement and contracting activities.
- ***Philippines:*** The Policy Training and Technical Assistance Fund helped the Philippines develop self-sustaining capacities to plan, implement, and evaluate socio-economic and administrative policies and reform programs.
- ***Vietnam:*** The Policy Implementation Assistance Project has helped the Government of Vietnam enhance the ability of key government and legislative institutions develop policy, engage in lawmaking, and promote civil society.
- ***Ukraine:*** The Policy Advice for Reform Project supported reform programs and the capacity development of public sector organizations and institutions.
- ***Global:*** CIDA's support to the Canadian Comprehensive Audit Foundation helped enable national auditors general make governments in 49 countries accountable through training programs on auditing techniques and standards.
- ***Transparency International Canada Inc.:*** Extending institutional support helped advance international conventions against corruption and fight corruption in political systems, public contracting, and the private sector.

Rule of Law

- ***Ethiopia:*** Support to the Court Administration Reform Program improved court case management by reducing time delays, promoting better communication between different levels of courts, and enhancing sensitivity to women's rights.
- ***Zimbabwe:*** The Legal Resources Foundation project expanded the reach of legal services, promoted legal education and human rights, and helped build capacity across the legal system.
- ***Rwanda:*** Through the United Nations Development Programme, CIDA supported a community-based Gacaca justice system, which provided an innovative alternative to formal justice structures in post-genocide social reconciliation cases.
- ***Americas:*** The Institutional Strengthening of Criminal Justice Reform Project encouraged innovative and integrated approaches to problems in selected Latin American countries.
- ***Eastern Caribbean:*** The Organisation of Eastern Caribbean States Legal and Judicial Reform Project sought to strengthen judicial practices by improving the efficiency of the court system, introducing a legal information system and increasing fairness with respect to prevention, sentencing, and rehabilitation.
- ***Jamaica:*** The Social Conflict and Legal Reform Project aimed to enhance the capacity of both the legal system and the general public in Jamaica to manage conflict.
- ***Peru:*** CIDA helped increase the ability of the Defensoria del Pueblo to monitor the rule of law, promote and protect human rights and alternative conflict-resolution mechanisms, and improve the responsiveness of public services.
- ***Bangladesh:*** The Legal Reform Project helped strengthen the formal system of justice while simultaneously working with non-governmental and community-based organizations to improve access to justice of the most marginalized, with a focus on child protection and juvenile justice, legal aid, and alternative dispute resolution.
- ***China:*** Canada was one of the first international donors to work with China on rule of law and human rights issues. In supporting legal and judicial reforms, CIDA has helped China improve trial procedures and train judges, investigate public service corruption, strengthen due process, and develop a legal-aid system for marginalized groups.
- ***Balkans:*** Through judicial training and correctional services reform, CIDA's Rule of Law Program contributed to accessible, transparent, and effective justice systems.

Annex 11: Other Information

For additional information about CIDA's programs, activities, and operations, please visit the Agency's website at www.acdi-cida.gc.ca

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Legislation Administered

CIDA is designated as a department for the purposes of the *Financial Administration Act* by *Order-in-Council P.C. 1968–923* of May 8, 1968, and *P.C. 1968–1760*, of September 12, 1968. The authority for the CIDA program and related purposes is found in the *Department of Foreign Affairs and International Trade Act*, and in the *Annual Appropriations Act*. CIDA is the lead government organization responsible for Canada's ODA.